

FIG 1

226

HAVE	QTY	VALUE	WANT	VALUE
DD	45	20	AET	90

228 230 232 234 236

200

216

TRANSACTION	HAVE	QTY	VALUE	WANT	VALUE
2221	AET	100	MKT	OMX	MKT 39
4890	AET*	75	85	DD*	16
6034	AET*	100	90	DD	MKT
5564	DD	300	17	AET	74
9021	DD	110	MKT	RHAT	MKT
3752	OMX*	30	41	RHAT*	25
7657	OMX*	35	45	DD	20
3360	OMX*	40	MKT	RHAT	18
8399	RHAT	50	19	AET	MKT
0077	RHAT*	20	18	AET	MKT
1779	RHAT	15	MKT	OMX	29

← 204
← 206
← 208
← 210
← 212
← 214
← 216
← 218
← 220
← 222
← 224

FIG. 2

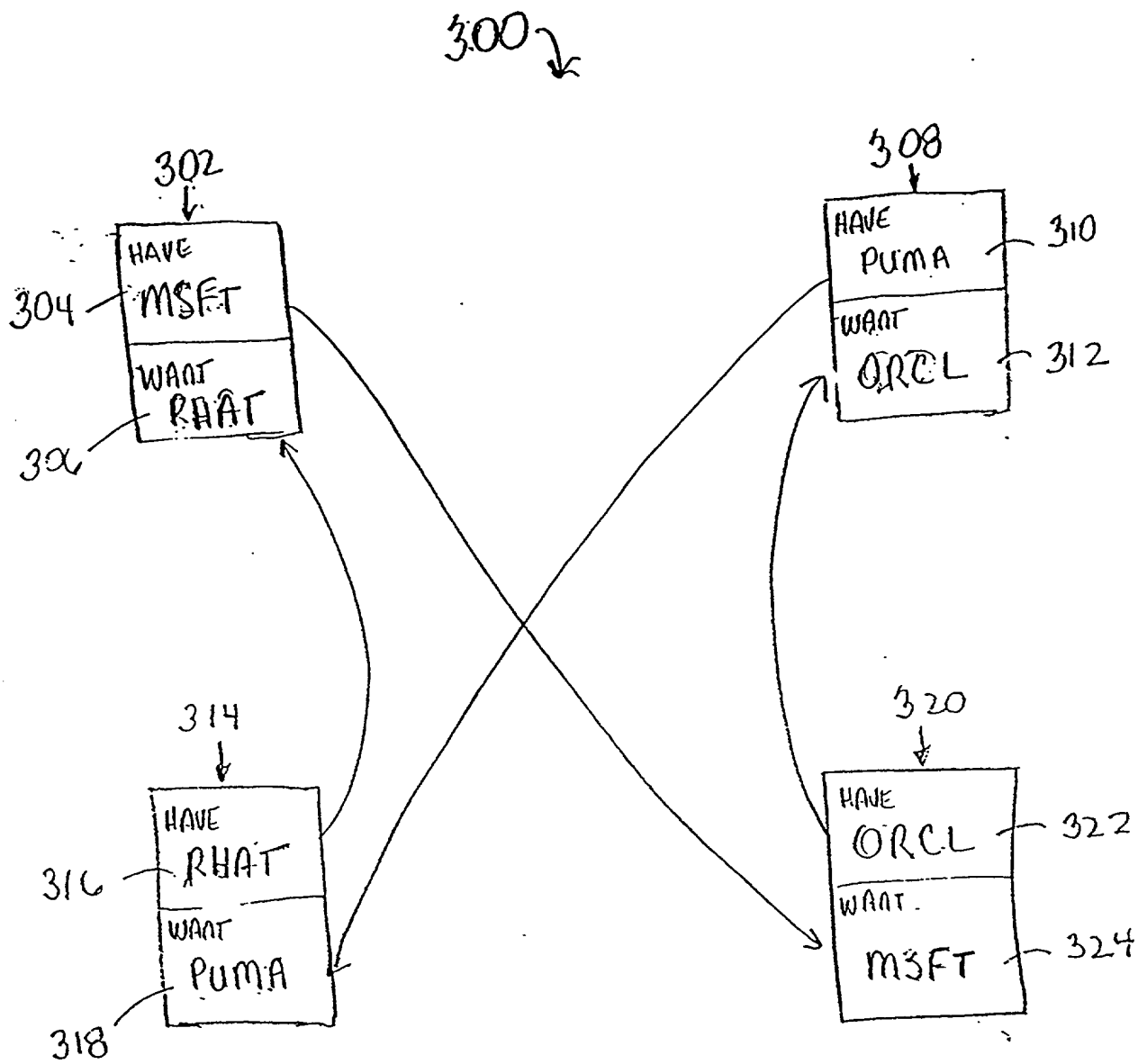


FIG. 3

400

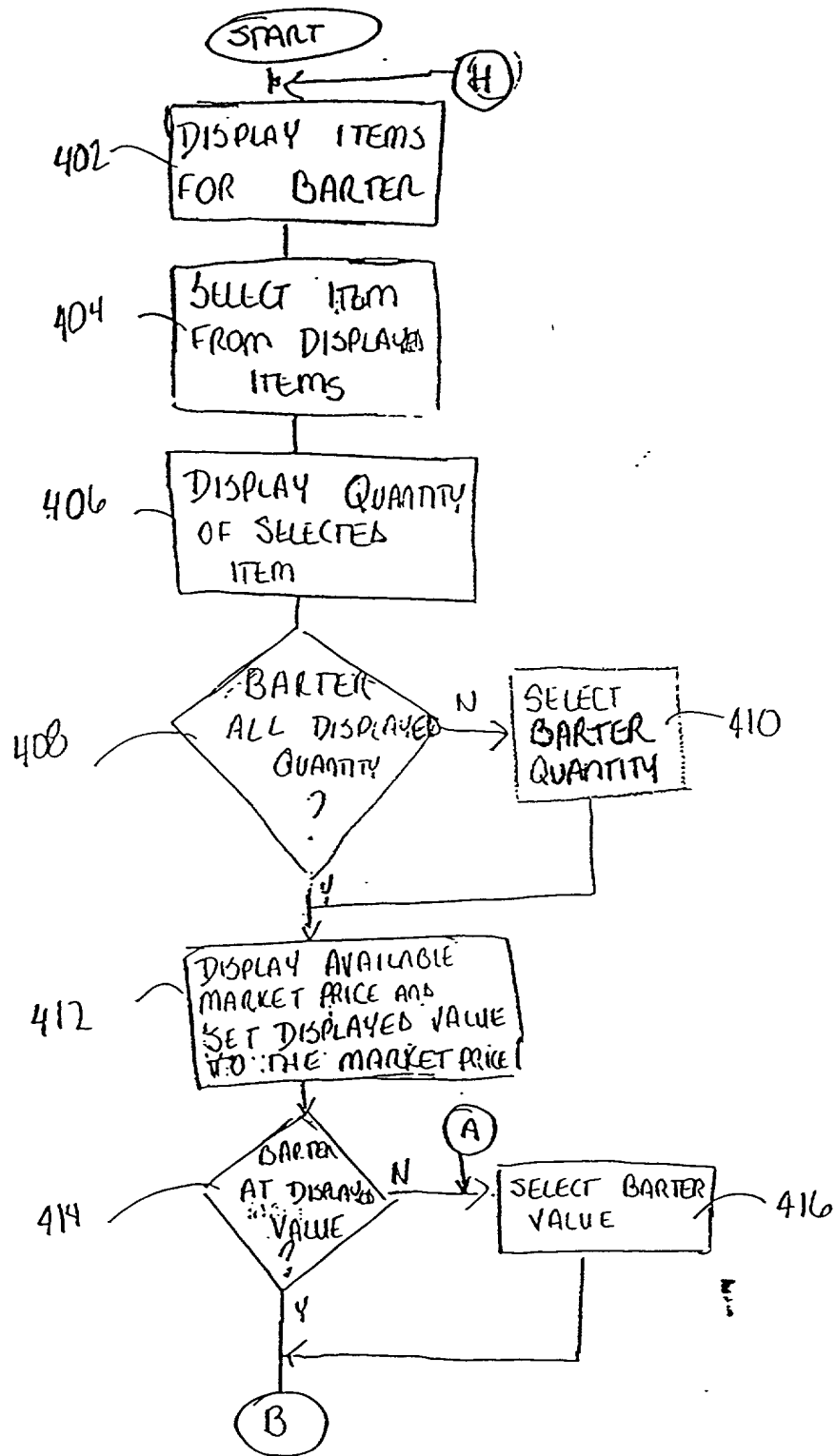


FIG. 4A

400

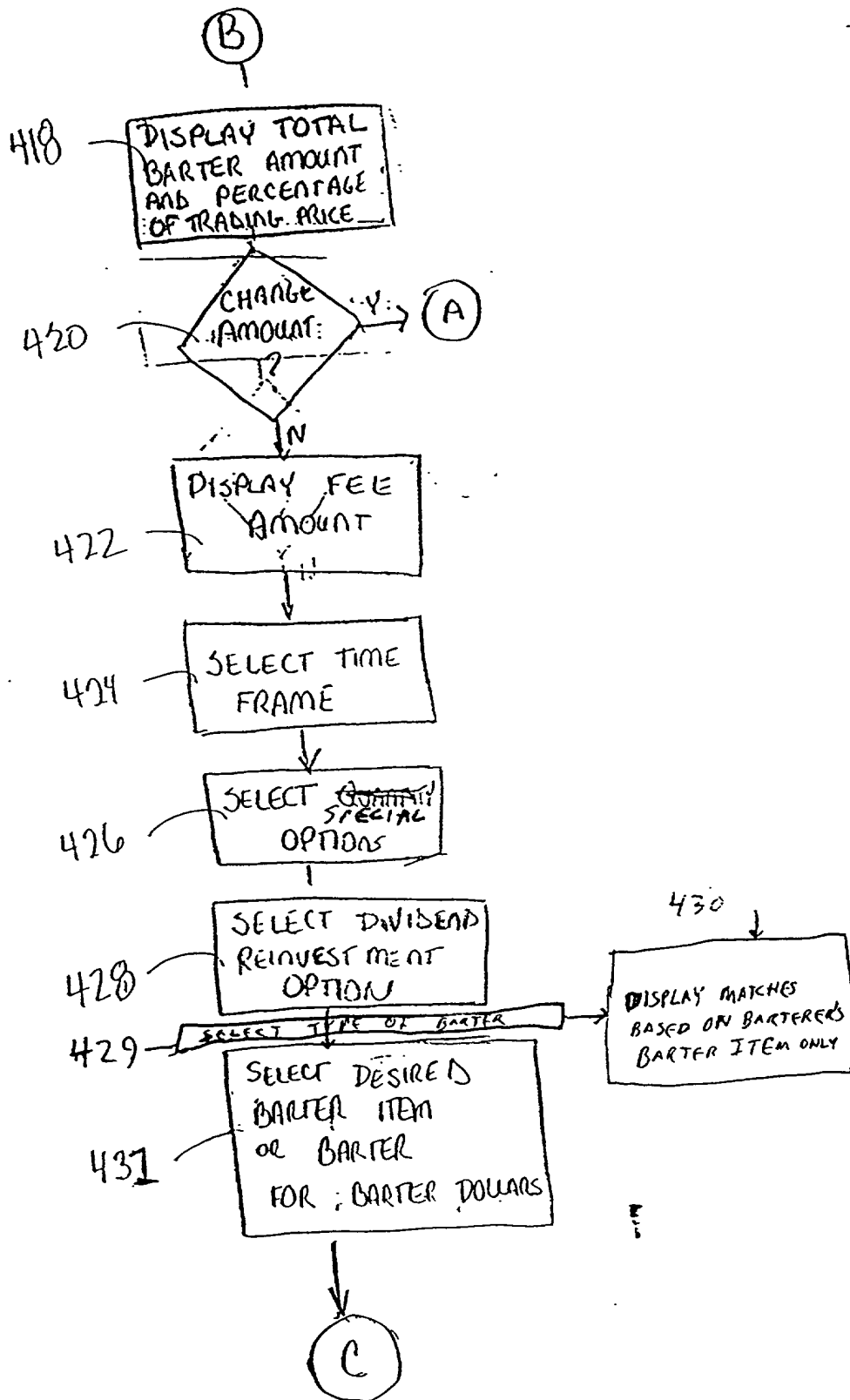


FIG. 4B

400

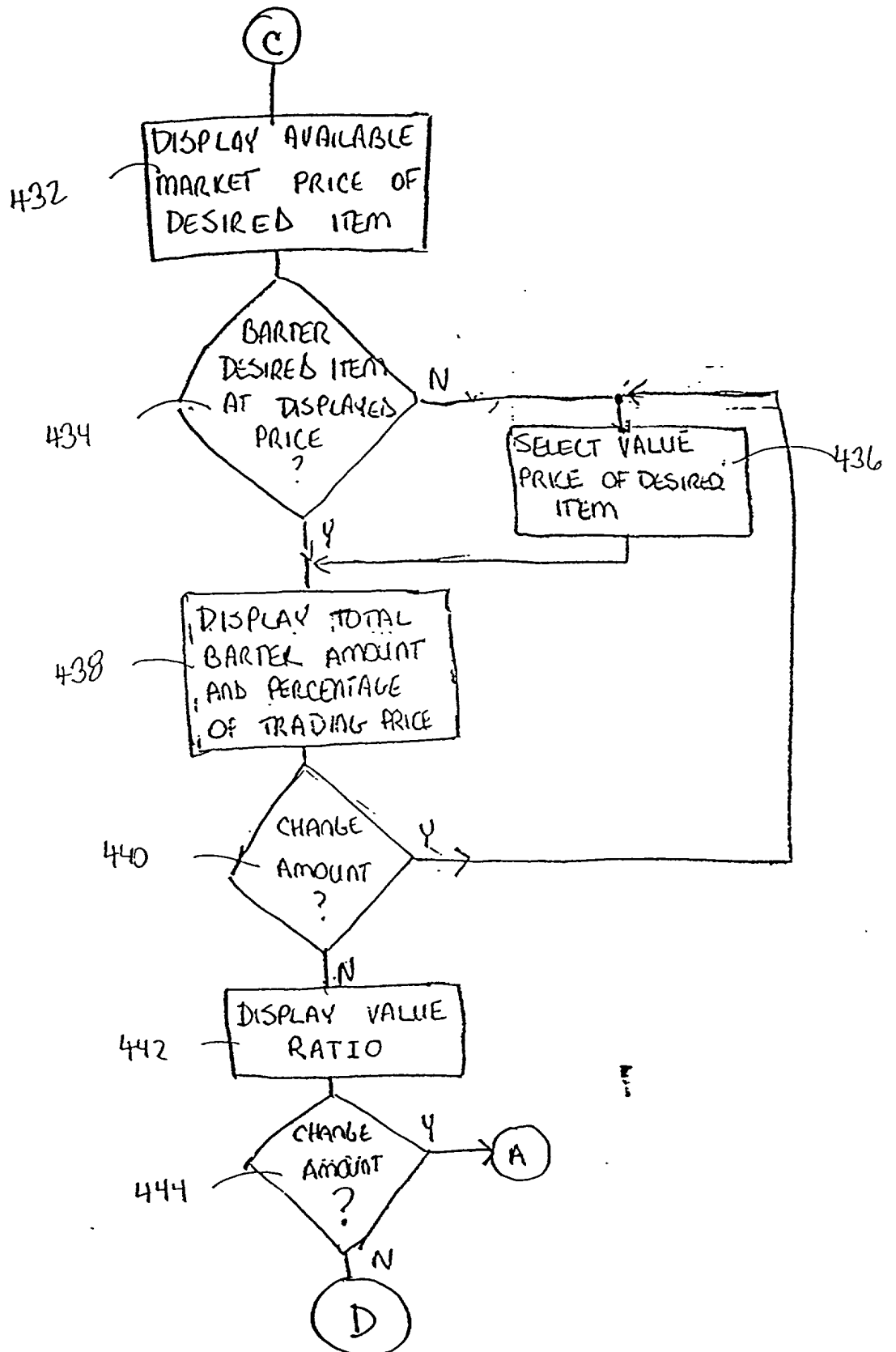
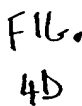


FIG 4C

(The following names are those appearing on the original document.)



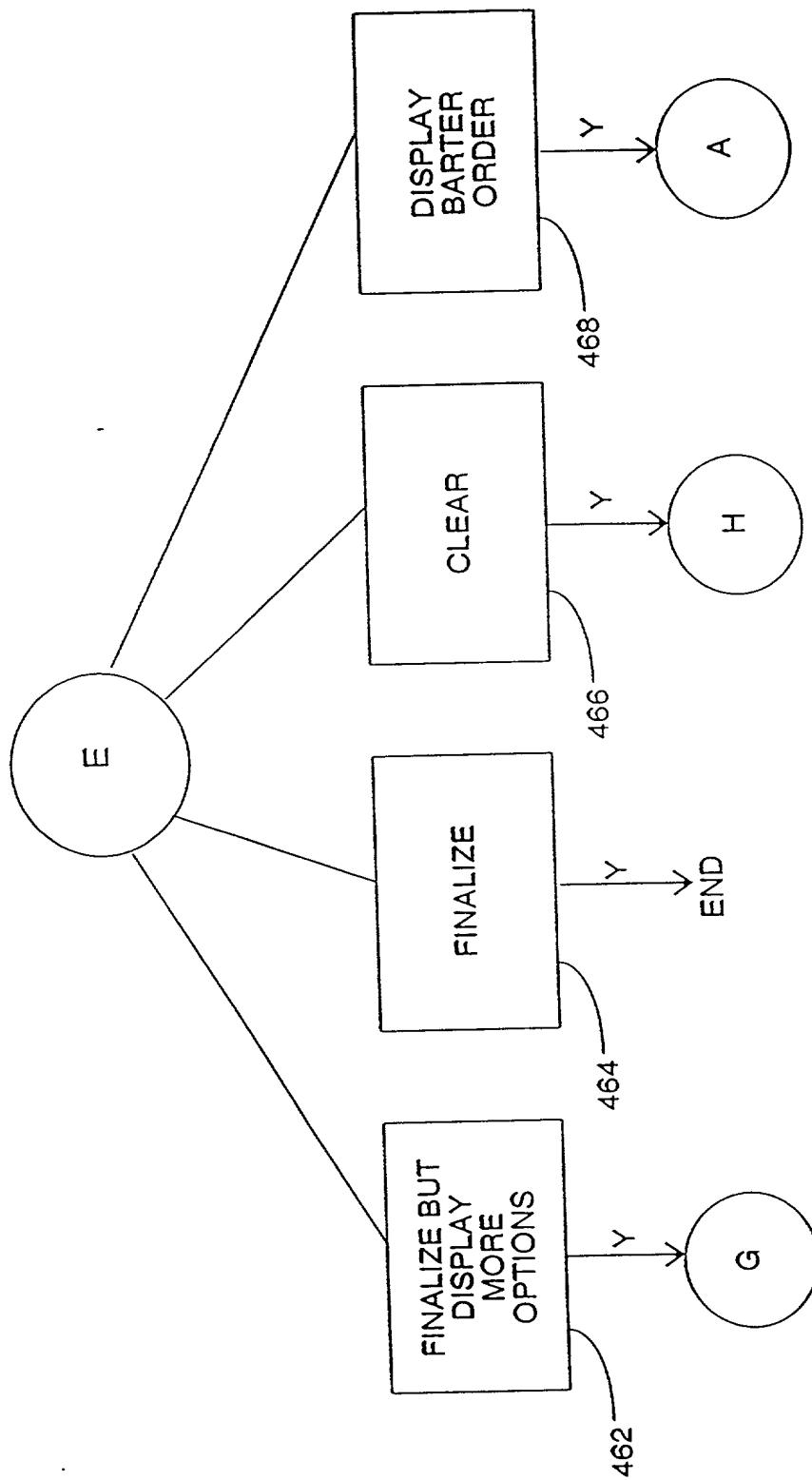


FIGURE 4E

500

BARTER SECURITY

ITEMS

DD	▼
DD	600
PFE* 01/25/2001 - 01/05/2001	100
PUMA	250
DD* 11/10/2000 - -/-/-	200
CASH\$	
WEB BARTER \$	

ITEMS BY CLASS

STOCK SYMBOL ▼
HIMMELSTEIN OPTION SYMBOL ▼
CASH XXXX ▼
WEB BARTER DOLLARS ▼

Quantity

600
▲▼

MARKET DATA FOR DD

Current stock trading price as of 02/15/1999 at time 10:45 am is \$ 75.90

FIGURE 5A

508 Value \$

per share,
web barter dollars,
cash

OR

If stock or Himmelstein Option,
510 ☐ barter at current stock trading price

511

\$

OR

%

512 ☐ plus
514 Value

\$

OR

516 Percent

%

518 ☐ minus
Value

\$

OR

519

Percent

517

519

%

520 \rightarrow Total anticipated barter amount: _____

Note: Your value price is "X" percentage/dollar amount less/more than (or equal to) stock trading price.

522

523

FIGURE 5B

524 FEE AMOUNT per share is anticipated to be _____, if direct barter (total anticipated fee _____);

526 FEE AMOUNT per share is anticipated to be _____, if web barter (total anticipated fee _____);

528 → Timing

day only ▼
day only
good until canceled
fill or kill
immediate or cancel
only view current posts

530 Special Conditions (optional)

- ☐ minimum quantity
- ☐ do not reduce
- ☐ all or none
- ☐ deferred settlement date before _____ date after _____

531 ☐ Other security, if any, to be provided at settlement _____

FIGURE 5C

532 → Dividend Reinvestment (for new stock)

- ☐ yes, new stock must have a dividend reinvestment program
- ☐ no, new stock must not have had a dividend reinvestment program
- ☐ accept new stock with or without a dividend reinvestment program

534 → Type of Barter

- ☐ direct barter only (fee amount anticipated to be _____)
- ☐ if direct barter not available, then barter with web site (fee amount anticipated to be _____)

Desired Item

Security AET ▼

Industry Health Care ▼

535 →

536

- ☐ HIMMELSTEIN OPTION FOR STOCK
- 537 → ☐ STOCK
- ☐ Cash
- ☐ WEB BARTER DOLLARS

538 → MARKET DATA FOR AET
Current stock trading price as of 02/15/1999 at time 10:45am is \$47.50.

FIGURE 5D

Value 540
\$ per share

OR 541
☐ barter at current stock trading price
IF STOCK OR HIMMELSTEIN OPTION,
☐ plus

Value \$

OR

Percent %

☐ minus

Value \$

OR

Percent %

FIGURE 5E

542→ Your total barter amount is (anticipated to be) _____ for new stock

Note: your value price is "X" percentage/dollar amount less/more than current
stock trading price.

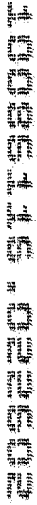
544→ Note: Ratio of your stock to stock trading price divided by new stock to stock trading
price is "XX.XX"

546→ System will re-list order and list terms and conditions and ask if you want to continue
must click on the continue/agree icon

548

549

FIGURE 5F



AVAILABLE BARTER ORDERS

Note: Click on Order # if choose to do barter

IF MORE THAN ONE SELECTION, CLICK ON SEQUENTIAL PREFERENCE

Order #	Symbol	Price trading price	Ratio to stock	Value Ratio	# of Shares	Barter Amount	Price Fluctuate with stock trading Price	Special Conditions	Timing	Divid
1) 1000526	IBM	115	1.00	1.0200	120	\$13,800.00	Yes	None	1	Yes
2) 9843566	IBM	115 _{1/16}	.9995	1.0194	40	\$4,602.50	No	Minimum 40	2	No
3) 1043442	IBM	115 _{1/16}	.9941	1.0139	100	\$11,568.75	No	After 2/01/00 Before Indefinite Security at Settlement = 0	1	Yes

4)

ORDER#	# OF SHARES GIVING	PRICE OF GIVING ITEM	# OF SHARES RECEIVING	PRICE OF RECEIVING ITEM	BARTER AMOUNT
1)					
2)					
3)					
4)					
5)					
6)					

AMOUNT OF BARTER LEFT	TIME REMAINING
RESIDUAL AMOUNT LEFT OVER	<input type="checkbox"/> HOLD IN ESCROW <input type="checkbox"/> DONATE IT <input type="checkbox"/> PURCHASE OTHER STOCK

632

CLEAR

CHANGE BARTER ORDER

633

FINALIZE TRANSACTION

634

FINALIZE TRANSACTION BUT DISPLAY MORE BARTER OPTIONS

FIG. 6

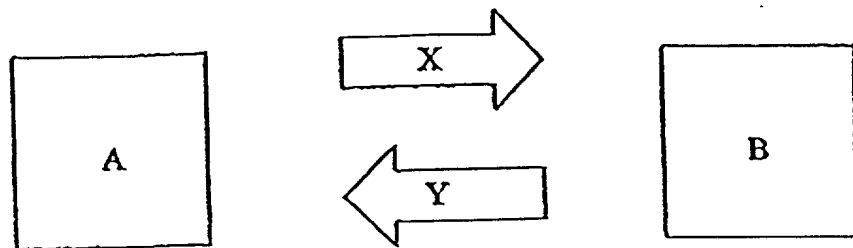


Fig. 7A

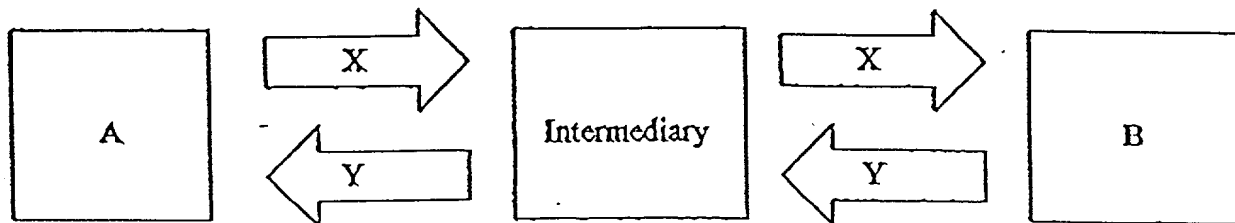


Fig. 7B

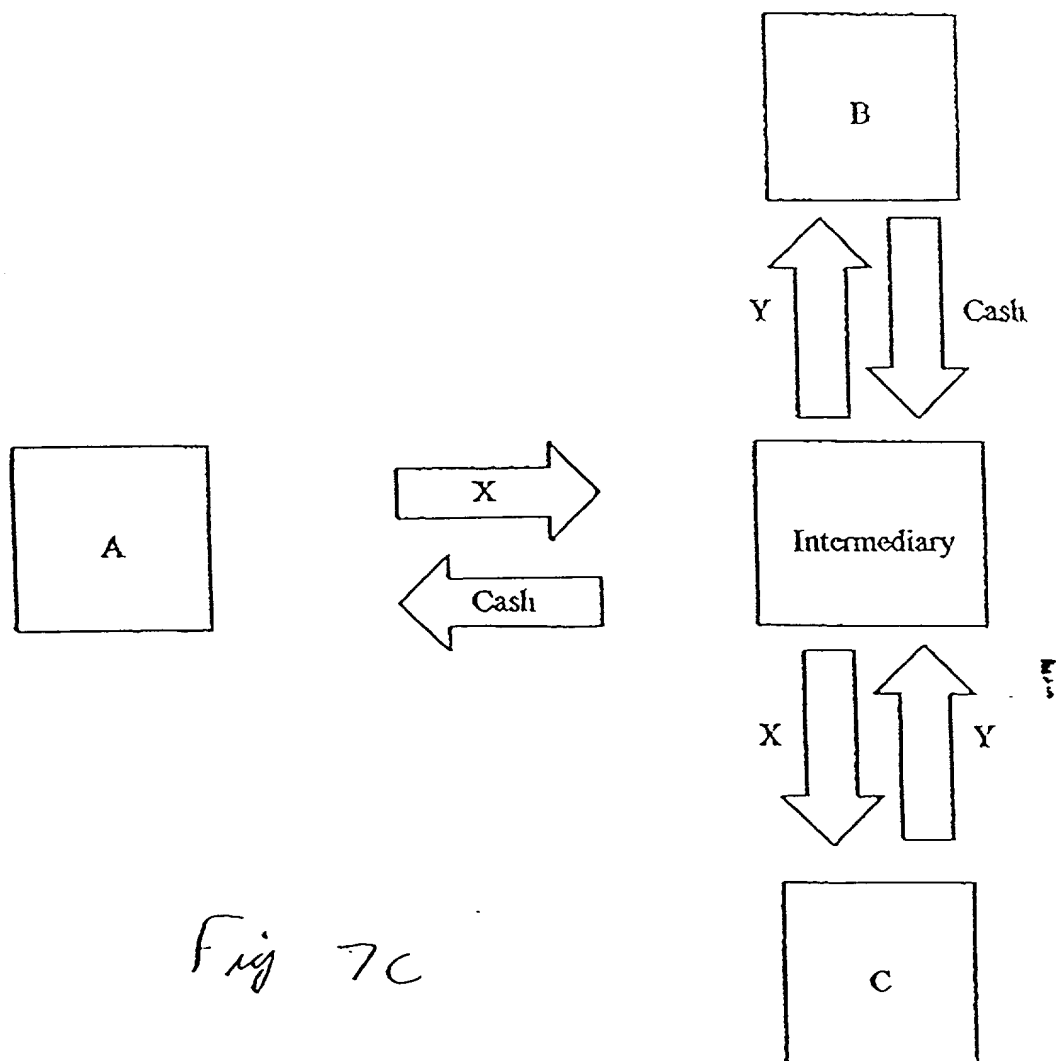


Fig 7C

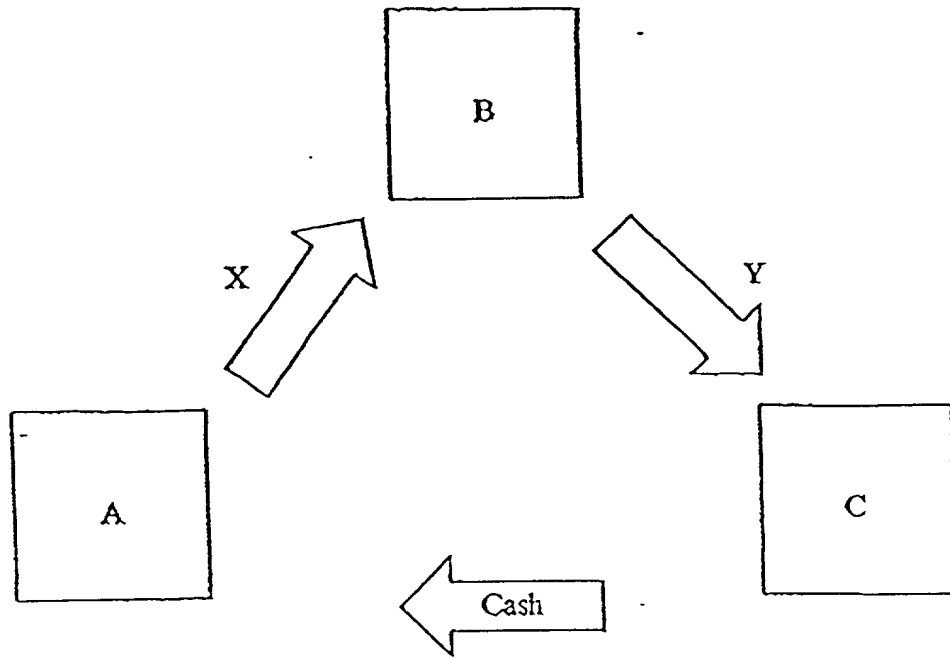


Fig. 7D

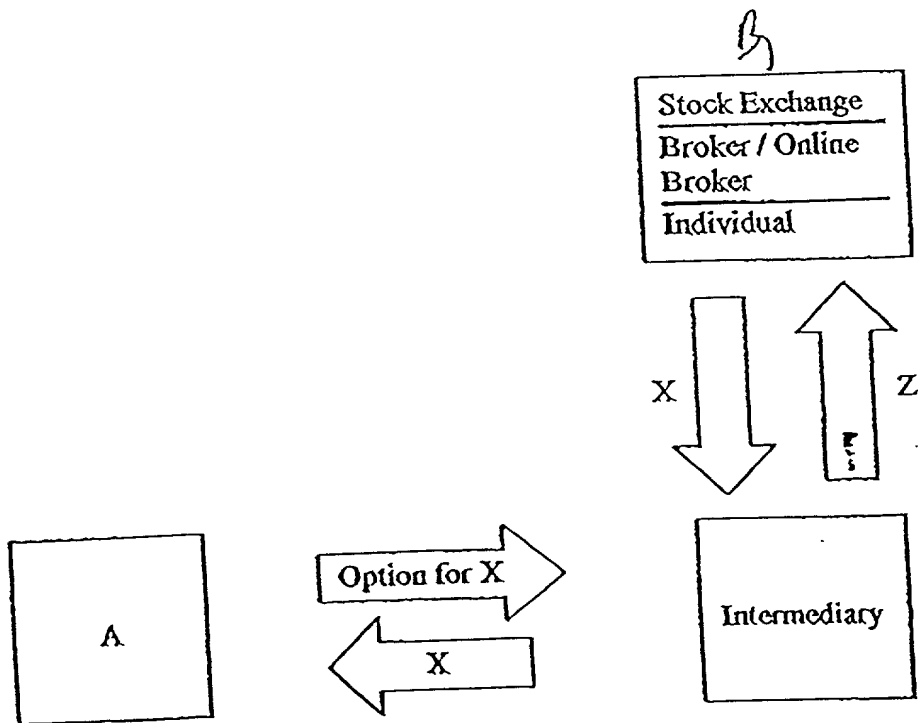


Fig. 7E

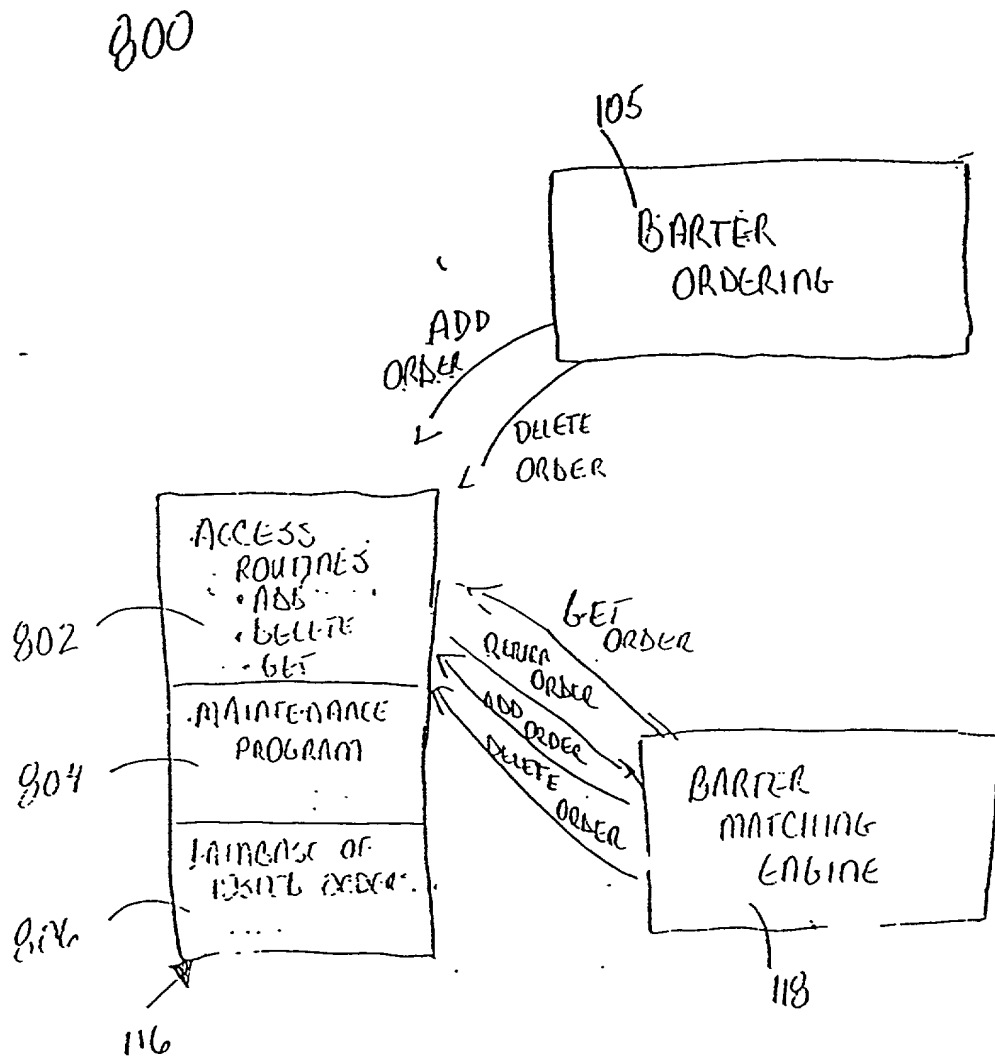


FIG. 8

Class/ Type	Item/ Identification	Amount	Market Value	Bid/Strike Price	Expiration Settlement/Due	Barter Value	Interest Rate/ Current Yield	Maturity Date	Other	Barter Settlement Date Open/Class
1	Stock	AOL	100 Shares	\$ 10,000.00	N/A	\$ 10,750.00	N/A	N/A	Dividend?	01-DEC-99/02-DEC-01
2	Currency	Canadian \$	5,000 CANS	\$ 3,453.04	N/A	\$ 3,448.28	N/A	N/A	N/A	02-JAN-00/03-JAN-04
3	Bonds	Mirage	25,000.00	\$ 24,750.00	N/A	\$ 24,900.00	8.50%	15-MAR-15	Pay, Discount, Premium	20-DEC-99/20-DEC-04
4	Options	IBM	12 Options	\$ 122,400.00	\$ 102.00	\$ 12,840.00	N/A	N/A	N/A	4-OCT-99/11-OCT-99
5	T-Bills	US Government	\$ 10,000.00	\$ 10,000.00	\$ 101.00	\$ 9,800.00	4.91%	15-JUN-00	N/A	07-EV-15-DEC-99
6	Futures	Gold	10 Troy oz	\$ 3,157.50	N/A	\$ 3,000.00	N/A	N/A	N/A	07-EV-31-OCT-99
7	Annuity	TransAmerica	\$ 100,000.00	\$ 100,000.00	N/A	\$ 105,000.00	10.50%	10-JUN-06	Pay or Variable Interest	02-JAN-01/03-JAN-03
8	CD's	SanWest Bank	\$ 50,000.00	\$ 50,000.00	N/A	\$ 49,600.00	4.14%	10-MAY-00	Compound Interest?	12-DEC-99/12-DEC-99
9	Web Barter Dollars	IOU	\$ 25,000.00	\$ 25,000.00	A	\$ 24,500.00	C	D	Pay, Discount, Premium Paid or Variable Interest Compound Interest?	Open/15-SEP-04

D = Could have Maturity Date if Web Barter \$ are from Bonds, Government Bonds, Annuity or CD's depending on terms and conditions in barter transactions

A = Could have Bid/Strike Price if Web Barter \$ are from Options or Government Bonds+CD's depending on terms and conditions in barter transactions

B = Could have Expiration Date if Web Barter \$ are from Options or Futures depending on terms and conditions in barter transactions

C = Could have Yield or Interest Rate if Web Barter \$ are from Bonds, Government

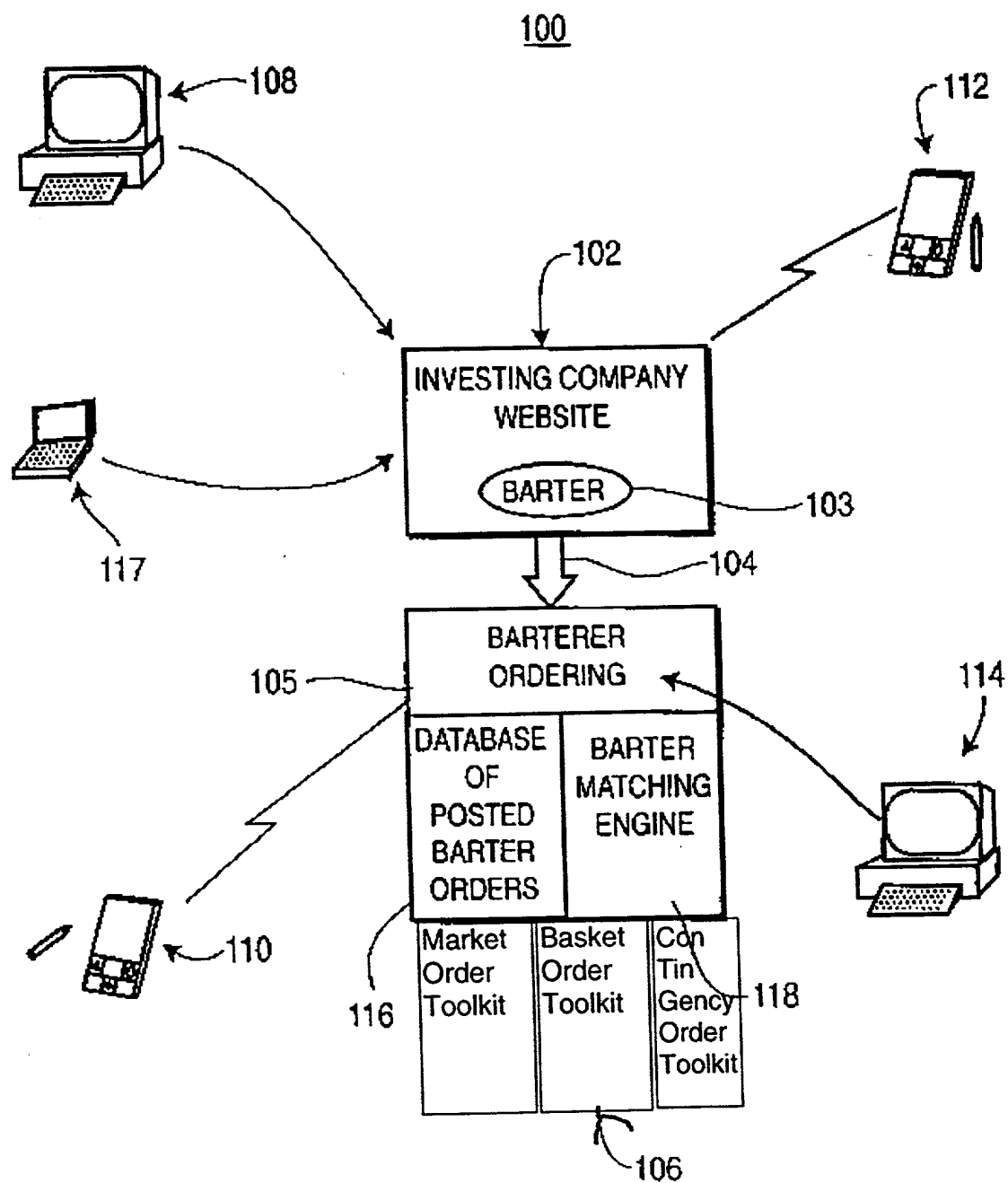


FIG. 10

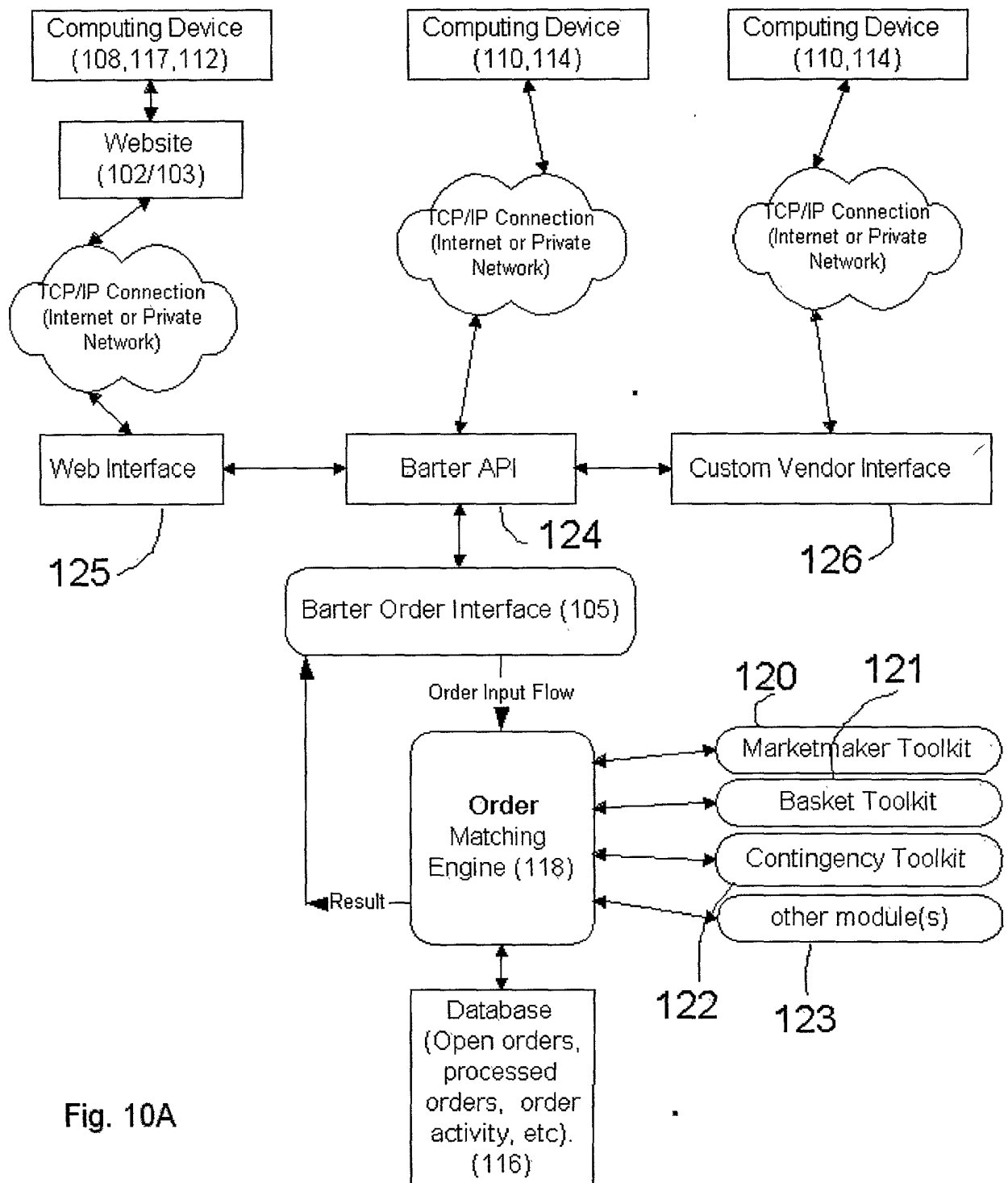


Fig. 10A

203220" 97 9300T

Request Barter Order Trade Prices

Quantity (For each leg, specify shares or dollars but not both.)

Symbol

SELL SIDE ☐ Check if Short Sale

BUY SIDE

Figure 11

Response to User Trade Request

Shares	Price	Order Type	YTD
1000	-418.75	NBBO Bid	
2000	-412.50	Your Bid	
1000	-407.50	System	Trade
500	-403.75	System	Trade
500	-400.94	System	Trade
2000	-400.00	System	Trade
1000	-400.00	NBBO	Trade

National Best Bid and Offer			
LT	Chg	Bid	Ask
HD	54 1/8	+ 1/2	54 1/8
IBM	100 1/8	+ 1 1/4	100 1/4
UNIT NBBO	-406.25	+ 1/8	-3418.75
YOUR UNIT BID			-412.50
TOTAL NBBO	-88,125	+ \$250	-88,000
YOUR TOTAL BID			-88,250
Dollars Saved			\$250

Figure 12

[illegible]

NBBO is National Best Bid and Offer. These prices and trade sizes occur on the NYSE, Nasdaq, and other exchanges and Electronic Communications Networks (ECNs). Although NBBO prices and sizes are set outside of the Barter Securities system, the user can trade on them from the BarterSecurities "Response to User Trade Request" screen.

National Best Bid and Offer Screen (yellow box)

The NBBO unit bid price corresponding to your order/request is calculated by trading the sell-side of your order on the NBBO bid price and trading the buy-side of your order on the NBBO ask price (i.e., the brown equity prices in the yellow box). Likewise, The NBBO unit offer price for your order is calculated by trading the sell-side of the Barter on the NBBO offer price and trading the buy-side of the Barter on the NBBO bid price (i.e., the blue prices in the yellow box). Positive unit prices mean that you PAY that price to execute the order. Negative unit prices mean that you RECEIVE the price to execute the order.

If you have specified a limit price for your Barter order, then your unit bid price and total bid price are shown in the yellow box. If your unit bid price exceeds the NBBO unit bid, then your order is said to be hot. The BarterSecurities system attempts to locate the best offer only for hot bids. Tip: If your bid is not hot but you want BarterSecurities to show you the best offers, then use the Request Barter Order Trade Prices screen, which does not allow you to enter a limit price.

Figure 13

Figure 13

HELP BOX

Response to User Trade Request-Trade Help

Suppose that you have made a request to sell 2000 shares HON vs. buying 1000 shares IBM and that the right half of the "Response to User Trade Request" screen shows the bids and offers below.

1000	-418.75	NBBO Bid	
2000	-412.50	Your Bid	
Sell side	Unit	Order	
Shares	Price	Type	
1000	-407.50	System Offer	Trade
500	-403.75	System Offer	Trade
500	-400.94	System Offer	Trade
2000	-400.00	System Offer	Trade
1000	-400.00	NBBO Offer	Trade

The top of the screen, in front of the blue background, shows the bid side for your order and the bottom of the screen (red background) shows offers. Your request is always expressed as a bid (see Definitions), and, as such, shows up on the top part of the screen along with the NBBO bid. Also, the screen may reflect bids that are internal to the BarterSecurities system (in addition to your order). All bids and offers are expressed in terms of a "Unit Price", or per 100 shares of the sell-side of the Barter Order.

In the example above, your bid is better (i.e., you're willing to receive fewer dollars) than the NBBO bid. This means your bid is "hot" and may be executed at any time from within the BarterSecurities system. If your bid price is below the NBBO bid, you will have to proactively trade on an existing offer (at a less favorable price than your current unit bid), or wait for the NBBO bid to drop before your order has a chance of being executed.

In the lower half of the screen (red background), the NBBO unit offer price is shown along with offers that have been generated by the system. All of the system offers will either (1) save you money relative to the NBBO offer because the unit price of execution is more favorable or (2) allow you to trade a larger size (up to your request size) than the NBBO market.

If you click on the word "Trade" on an offer line, the system attempts to fill the requested trade size at the most favorable price to the trader up to the price level on the order line that was clicked.

For example, if you click "Trade" on the first offer line, "1000 / -407.50", the system will attempt to trade 1/2 of the requested barter (i.e., 1000 shares available on the sell-side out of the 2000 requested) at the unit price of -407.50, meaning that you RECEIVE a total of \$4075.00.

If, instead, you click on the third offer line, "500 / -400.94", the system will attempt to fill the first tranche of the requested trade size (1000 HON vs. 500 IBM) at the most favorable unit price to the trader of -407.50, followed by another 500 HON vs. 250 IBM at -403.75, followed by another 500 HON vs. 250 IBM at -400.94. Overall, you would have saved \$48.45 relative to trading on NBBO prices, while at the same time filling all of your order, rather than the half which was available at NBBO prices.

Note that if you had clicked on the fourth offer line, "2000 / -400.00" you would have gotten the same result as in the previous example. This is because the system attempts to trade only enough size to fill the initial trade request (2000 shares on the sell-side), and only at the most favorable prices for the user.

Figure 14

Order Entry

Account:

Buy Side Sell Side ☐ Open or Part Sell

Symbol:

Amount:

Shares: or

Dollars: \$ or \$

Action:

Execution Type: (Select One)

Percentage of order: before commission

Percentage of order: before commission

OR, execute percentage by entering appropriate limit price:

Limit: \$ or \$

Order type: (Select One)

☐ Buy side price is

☐ Sell side price is

Order type: (Select One)

☐ Buy side price is

☐ Sell side price is

Order type: (Select One)

☐ Buy side price is

☐ Sell side price is

Timing and Options:

Day Only

☐ Fill or Kill ☐ Immediate or Cancel ☐ All or None ☐ Do not Reduce

Execution Types:

Market

Pay/Receive Limit

Advanced Market

Advanced Pay/Receive Limit

Figure 15

Automatic Bid/Offer Responses

Rule

great_hedge

*default

*show_manual_1

*show_manual_2

liquid_one

small_cap_both

small_debt

New Delete

Conditions

Select Variable Select Operator

SICmatch = 2

VOLmin >= 2

both_symlist = 1-4

Add Edit Remove

Price and Size

Price Adjustment

NBBO + 0% ☒

Size Offered

NBBO +

NBBO +

constant

constant

Tier 1: price: NBBO - 25% size: NBBO

Tier 2: price: NBBO size: NBBO + 500 shs

Tier 3: price: NBBO + 10% size: \$25,000

Add Edit Remove

OK Cancel Help

Figure 16

Symbol Lists

Enter List Name:	Enter Symbol:
<input type="text"/>	<input type="text"/>
1. Fred	IBM
2. John	SUNW
3. [highlighted]	[highlighted]
<input type="text"/>	DELL
	CPQ
<input type="button" value="New"/>	<input type="button" value="Add"/>
<input type="button" value="Edit"/>	<input type="button" value="Remove"/>
<input type="button" value="Delete"/>	
<input type="button" value="OK"/>	
<input type="button" value="Cancel"/>	

Figure 17

20250907 10:56:46

10065415.022602

HELP BOX

A Rule is a statement of how and when to respond automatically to retail Barter Orders. Enter a new Rule name or click on an existing rule name to create or edit the rule's Conditions and Automatic Offers. To create a Condition combine a variable name, an operator, and a critical value. Click [here](#) to see variable definitions and allowable value ranges. For example, to define an order with relatively little net market exposure, construct the equation:

Delta

<=

10%

Marketmakers can set up Automatic Offers that comprise any number of tiers, each of which is expressed in terms of the current NBBO prices and sizes.

Consider the following example:

1. Retail trader wants to Buy 1000 ABC, Sell 2000 XYZ.
2. NBBO markets are
ABC 100 / 100.20 20 x 20
XYZ 45 / 45.15 10 x 5
3. For Rule 1, the marketmaker constructs an Automatic Offer by setting the Tier 1 Value Increment to +25% and the Tier 1 Size Increment to +25000.

Bid to offer, the total cost to the retail trader would be \$10,200 ($1000 \times 100.20 + 2000 \times 45$). The dollar size of the bid/ask spread is \$500 ($1000 \times 0.20 + 2000 \times 0.15$). If the Barter Order satisfied the conditions of Rule 1, then the system would reduce the NBBO spread by 25%, or \$125 and offer the trade at \$10,075. On the NBBO sizes only half of the trade can be completed because only half of the XYZ is bid for. The system would show the marketmaker bidding for \$25,000 more of the sell-side (XYZ), or just over 500 shares. Therefore, the system would show that the marketmaker is willing to complete 3/4 of the trade at the Tier 1 price. Furthermore, the marketmaker's Tier 2 price/size might allow the system to show that the final 25% of the trade could be completed at a higher price for the retail trader.

Certain rule names cannot be modified by the user. These rule names are preceded by an asterisk in the name list. The *default rule is always in existence but, of course, the marketmaker can set the conditions of the rule so that it is never active. The marketmaker can set up any number of rules named show manual n, where n is ordered by the system. These rules do not dictate automatic offers, but rather tell the system when to allow the marketmaker to respond manually to a bid or a trade request. For example, the marketmaker may want to respond manually whenever an order amount exceeds \$200,000, or when both sides of the trade fall within user-defined symbol lists.

Figure 18

HELP BOX		
Definitions of Variables and Allowable Value Ranges:		
Variable	Definition	Range (units)
Delta	$\frac{\text{abs}(\text{Long} - \text{Short})}{\text{max}(\text{Long}, \text{Short})}$	0-100%
SICmatch	Number of SIC code digits of buy and sell that match, starting from left	0,1,2,3,4
MCAPmax	Market Cap of larger-cap stock	(\$B)
MCAPmin	Market Cap of smaller-cap stock	
VOLmax	Avg Daily \$-volume traded, last 30 days, of more-active stock	(\$M)
VOLmin	Avg Daily \$-volume traded, last 30 days, of less-active stock	
BA_Debit	Debit value of bid/ask spread of Barter Order on NYSE and Nasdaq trade prices	(Dollars)
either_symbol	Group of user-defined symbol lists that contains at least one trade symbols	1, ..., n e.g., 1,4,6-8
both_symbol	Group of user-defined symbol lists that contains both trade symbols	

Figure 19

HELP BOX		
Examples of Variable usage:		
<p>'Delta' measures the dollar amount of exposure of the Barter Order. If the retail trader's buy side debit is \$100,000 and the sell side credit is \$75,000, the debit is</p> $25\% = (100000 - 75000) / \text{max}(100000, 75000)$		
<p>'SICmatch' shows how industry-related two stocks are. Matched digits are counted from the left until a match fails, after which remaining digits do not count</p>		
SIC #1	SIC #2	SICmatch
4013	4031	2
2831	4031	0
<p>MCAPmax and MCAPmin measure market capitalization of the bigger and smaller stock, respectively. To ensure that both stocks' market cap exceeds \$1 billion, enter "MCAPmin >= 1". To ensure that at least one stock's market cap exceeds \$10 billion, enter "MCAPmax >= 10".</p>		
<p>VOLmax and VOLmin measure the dollar volume of the more- and less-active stock, respectively. To ensure that both stocks trade at least \$2 million per day, on average, enter "VOLmin >= 2". To identify trades in which neither stock trades more than \$2 million per day, on average, enter "VOLmax <= 2".</p>		
<p>BA_Debit is the dollar width of a Barter Order on the NBBO market. If a retail trader wishes to buy 100 ABC on the NBBO market 50-50.25 and sell 300 XYZ on the NBBO market 20-20.10, then the dollar size of the spread is \$55, or $100 \times 0.25 + 300 \times 0.10$.</p>		
<p>either_symbol and both_symbol allow the marketmaker to identify whether stock symbols fall in marketmaker-created lists. Suppose the marketmaker sets up three lists:</p> <p>List 1: IBM, CPQ, DELL, SUNNY, HWP</p> <p>List 2: GM, F, DCX</p> <p>List 3: ADGT, ADBE, AMGN, AMAT, AMCC</p> <p>To ensure that at least one of the Barter Order symbols falls in lists 1 or 3, enter "either_symbol = 1,3". To ensure that both Barter Order symbols fall in any of the lists, enter "both_symbol = 1,3".</p>		

Figure 20

Define Order Contingencies

Name:

Techs_up_2

SPX_up_for_day

NDX_crosses_mavg

star_on_low

Conditions:

Select Variable Arithmetic Comparison Security
Operator Operator Symbol

[SUNW]Price >= 1.02*[SUNW]Cprice(D-1)

[CSCO]Price >= 1.02*[CSCO]Cprice(D-1)

[#]Price >= 1.02*[#]Cprice(D-1)

New Delete Add Edit Remove

OK Cancel Help

Figure 21

Help Screen—Define Contingent Orders

An order contingency is a set of user-defined conditions that must be satisfied before a "primary" order (i.e., symbol, buy/sell, quantity, market/limit) is sent, and by giving this group of conditions a label, or name, that will be used when the primary order is created.

To create and name a new order contingency enter the new name in the top field under "Name" and click New. The name will be entered in the lower field along with the names of existing order contingencies. To delete an existing order contingency, including both its name and conditions, highlight the name in the lower field and click Delete. To enter the conditions that are associated with an order contingency, highlight the name in the lower field and begin typing conditions in the top field under "Conditions".

Conditions of an order contingency are used to describe market characteristics. The system sends an order only when all of the conditions are satisfied. (To send an order using "or" logic, create two or more primary orders in the Send Contingent Order window, and apply a different Contingency Name to each primary order.) A Condition may consist of variables, arithmetic operators, numerical constants, security symbols, and a comparison operator, such as "greater than or equal to". Variables can be pre-defined by the system and include large numbers of fundamental, technical, historical, and descriptive characteristics. These variables and their mnemonic abbreviations are accessed through a pop-up screen in response to clicking the Select Variable button. Examples of variables are "one-year-ago earnings per share", "10-day moving average", "percent change in price over last 30 days", and "shares outstanding". Users can create new variables by combining system variables with arithmetic operators, as in (Book Value / Shares Outstanding). Thus, user-defined expressions can be created and tested against user-defined benchmarks, as in the condition, (Book Value / Shares Outstanding <= Current Price). [Click here to learn variable syntax.](#)

To create a new condition, type the condition in the top field under "Conditions" and click Add. To modify a condition, highlight the condition in the lower field and click Edit. To delete a condition, highlight it in the lower field and click Remove.

To save the changes that have been made, click OK. To ignore the changes that have been made since the last Save, click Cancel.

Figure 22

THE

[SYM]variable is the variable for the security whose symbol is SYM. For example, [CSCO]Cprice is yesterday's closing price of Cisco.

Note that when entering a limit price that is dependent on the market picture at the time the order is delivered, the [M] symbol may be omitted, since the symbol of the intended security is already given in the Send Contingent Order screen.


For certain fundamental variables, *variable*(Q-n) and *variable*(Y-n) are the variable measured back n quarters and n years, respectively. For example, EPS(Q-1) is "Earnings per Share" measured 1 quarter ago. EPS(Q) is the most recent quarterly earnings per share, whereas EPS(Y) is the earnings per share for the most recent fiscal year.

Figure 23

Send Contingent Order

Contingency Name:

Symbol:

Action: 

Quantity:

Execution Type:

☐ Market

☐ Fixed Limit:

☒ Dependent Limit:

Figure 24

Help Screen—Send Contingent Order

A contingent order is one that will not be sent until one or more user-defined conditions are satisfied. Furthermore, the limit price of the order, rather than being a fixed price, may be dependent on the market picture at the time that the order is sent. For example, the "dependent" limit price might be the current ask price of the stock at the time the order is sent. Or, the dependent limit price might be the most recent closing price of a stock, plus the product of [the change in the SPX index for the day] and [the beta of the stock relative to the SPX index.] To learn about the syntax that can be used to enter contingency conditions and dependent limit prices, refer to the help screen on variable syntax.

In order to apply contingent orders, a set of user-defined conditions must be defined in the Define Order Contingency screen and given a name that is used in the first field of the Send Contingent Order screen.

Figure 25

Define Baskets

Enter Basket Name

Sell_HiTech

1. BigCap_Healthcare

2. Buy_Value

3. Buy_Value

4. NDX_Beta_Unity

New

Rename

Remove

Enter Symbol Formula

I (Intersection)

U (union)

(tech_symlist_1 U technical_filter_3) n
Portfolio_4

No. of Symbols in Basket 20

Select Quantity Methodology

☐ Amount per Symbol

USD

☐ Total Basket Amount

USD

☐ Amount per Symbol

USD

☐ Total Basket Amount

USD

Save

Cancel

Help

View Symbols, Quantities

IVAX	\$100,000
ABX	\$100,000
ABS	\$100,000
BA	\$100,000
BMV	\$100,000
CSCO	\$100,000
DF	\$100,000
DF	\$100,000
EC	\$100,000
EGRP	\$100,000
IBM	\$100,000
IVAX	\$100,000
LLY	\$100,000
KRI	\$100,000
MRK	\$100,000
MCD	\$100,000
MLI	\$100,000
MO	\$100,000
NOC	\$100,000
PCG	\$100,000
SCH	\$100,000

Add Symbol

Remove Symbol

Modify Quantity

Figure 26

Select Quantity Methodology

Equal Currency Amounts

Equal Beta or Factor Exposure

Target Exposure ...

Advanced ...

Figure 27

Figure 28

Help Screen--Define Baskets

A basket of securities ("basket") is defined to be at least two different securities, grouped in any combination of descriptions or quantities. The "Define Baskets" tool allows the user to identify and define baskets according to market, portfolio, or general risk considerations, as well as quantity specifications.

The Define Baskets tool is partitioned into four sections. These are:

- o Enter Basket Name
- o Enter Symbol Formula
- o Select Quantity Methodology
- o View Symbols, Quantities

Enter Basket Name

To create and name a new basket, enter the new name in the top field and click New. The name will be entered in the lower field along with the names of existing baskets. To delete or edit the characteristics of a basket, including symbols and quantities, highlight its name in the lower field and enter or edit the symbol formula. To rename a basket, highlight its name, modify the name in the upper field, and click Rename. To delete an existing basket, including both its name and characteristics, highlight the name in the lower field and click Remove.

Enter Symbol Formula

In order to use this section, you must understand the *Fundamental and Technical Flows* window and the *Symbol List* window.

Symbol formulas are created by taking unions and intersections of user-defined symbol lists and user-defined filters. The union and intersection operators apply to only two lists at a time. Using parentheses, such expressions can be combined in any depth. The union of two sets of symbols focuses all of the symbols that are in either of the two sets. The intersection of two sets of symbols includes all of the symbols that are in both sets. Once the symbol formula is entered and the user clicks on another part of the window, the number of symbols in the resulting basket is shown below the formula window.

Select Quantity Methodology

Prior to saving a basket order, quantities (preferably in currency amounts rather than in shares) must be attached to each symbol in the basket. The pull-down Select Quantity Methodology button reveals four ways of attaching quantities to symbols. These are:

- o Equal Currency Amounts
- o Equal Beta or Factor Exposure
- o Target Exposure
- o Advanced

Amounts are assumed to be in U.S. dollars unless the user chooses a different currency by way of pull-down menus. If the amount of a security is not expressed in its home currency, the system converts the expressed amount into the home currency using current FX spot rates at the time a basket order is sent. In the subsequent discussion, the term "dollars" is used to denote the currency that is chosen by the user.

o Equal Currency Amounts

This methodology causes the same amount of dollar or other currency to be associated with each security in the basket. After selecting this option, the user must enter the amount of each security or the overall amount of the basket.

o Equal Beta or Factor Exposure

This methodology causes the same amount of market exposure to be associated with each security in the basket. After selecting this option, the user must enter the market point or the factor which will be used to compare the exposures of each security. For example, if the user types in or uses the pull-down menu to select β_{FX} , then the beta of each security in the basket to the S&P 500 index is measured. When the basket is sent, the dollars of a security are chosen so that (unless "SPX" is selected for each security) that is, fewer dollars of high-beta securities than of low-beta securities are sent. Moreover, the user can select target factors (e.g., value, growth, current yield, etc.) to govern market exposure. When the basket is sent, dollar amounts for each security are calculated to equate the exposures to the chosen risk factor for each security in the basket.

o Target Exposure

Selecting this option causes a pop-up window to appear. The user is prompted to choose a target exposure, and to identify a second asset (either another basket or a single security). When sending the basket, the dollar amount of the second asset is valued so that the original basket plus the second basket has the desired exposure. (If this is not mathematically possible, the user is alerted before the order is delivered.) For example, the user can combine a basket of high-risk technology stocks with the right amount of T-bills to produce a target amount of beta to the Nasdaq-100 index.

o Advanced

Selecting this option causes a pop-up window to appear. The user may input specific dollar amounts for each security, or may modify the result of previous methodologies (e.g., Equal Currency Amounts) for individual securities.

View Symbols, Quantities

Once the Symbol Formula and Quantity Methodology have been chosen, the clicking the View Symbols, Quantities button displays the list of security symbols and corresponding quantities that are associated with the highlighted basket. To add symbols individually, type a symbol in the top left field and a quantity in the top right field under the View Symbols, Quantities button and click Add Symbol. (To add a symbol without a quantity, use the "Symbols List" or "Fundamental and Technical Flows" window.) To delete a symbol and its quantity from the list, highlight the symbol and click Remove Symbol. To modify a quantity for a symbol, highlight the symbol, then type the new quantity in the top right field under the View Symbols, Quantities button and click Modify Quantity.

10066146.022602

Symbol Lists

Enter List Name:

1. Low_Price
2. BigCap
3. tech_symlist_1
4. tech_symlist_1

New Edit Delete

Enter Symbol:

IBM
SUNW
DELL
CPQ

Add Remove

Copy Symbols from File

OK Cancel

Figure 29

Help Screen--Symbol Lists

This window allows the user to set up any number of symbol lists, each of which includes a set of known security symbols. To name a symbol list, enter the name in the top field under "Enter List Name," and click New. The name will be entered in the lower field along with the names of existing symbol lists. To remove an existing list, including its name and corresponding security symbols, highlight the name in the lower field and click Delete. Highlight the name in the lower field and click Edit to input the symbols that make up the list.

Symbols can be added to a list that is being edited in two ways. To enter symbols individually, type a symbol in the top field on the right side of the window under "Enter Symbol," and click Add. The symbol will be entered in the lower right field along with existing symbols for this list. Alternatively, an existing file of symbols can be appended to a list by clicking Copy Symbols from File, and following the pop-up directions. Use this to copy the symbols from an existing portfolio, for example. To delete a symbol from the list that is being edited, highlight the symbol and click Remove.

Click OK to save the changes that have been made, or Cancel to ignore changes.

Figure 30

Help Screen—Fundamental and Technical Filters

Whereas the Symbol Lists window is used to set up lists of known symbols, the Fundamental and Technical Filters window is used to set up lists of symbols with desired market-, portfolio-, and risk characteristics. Each such list is called a "Filter". The window is partitioned into two sections: (1) Filter Name and (2) Conditions.

To create and name a new filter, enter the new name in the top field under Filter Name and click New. The name will be entered in the lower field along with the names of existing filters. To delete an existing filter, including both its name and conditions, highlight the name in the lower field and click Delete. Highlight the name in the lower field to define the conditions of the filter, as described below.

Conditions of a filter are used to describe its characteristics. The system searches to find all securities which satisfy all of the stated conditions. (To create a filter where any, not all, of the conditions are met, first create filters of one condition, and then apply the union operator to those filters in the Define baskets window.) A Condition may consist of variables, arithmetic operators, numerical constants, and a comparison operator, such as "greater than or equal to". Variables can be pre-defined by the system and include large numbers of fundamental, technical, historical, and descriptive characteristics. These variables and their mnemonic abbreviations are accessed through a pop-up screen in response to clicking the Select Variable button. Examples of variables are "one-year-ago earnings per share", "10-day moving average", "percent change in price over last 30 days", and "shares outstanding". Users can create new variables by combining system variables with arithmetic operators, as in [Book Value / Shares Outstanding]. Thus, user-defined expressions can be created and tested against user-defined benchmarks, as in the condition, [Book Value / Shares Outstanding <= Current Price].

To create a new condition, type the condition in the top field under "Conditions" and click Add. To modify a condition, highlight the condition in the lower field and click Edit. To delete a condition, highlight it in the lower field and click Remove.

Once at least one condition has been entered for a filter, clicking View Symbols will display the symbols that are associated with the filter. To add symbols individually, type a symbol in the top field under the View Symbols button and click Add Symbol. To delete a symbol from the list, highlight the symbol and click Remove Symbol.

To save the changes that have been made, click OK. To ignore the changes that have been made since the last Save, click Cancel.

Figure 32

BARCLAYS BANK

Barclays Securities Control Center

File

Options

Rules

Help

Account

645789 ▼

Open Orders

Order History

Saved Orders

Portfolio

Messages

Place Order

Status

Order #

Type

Buy Sym

Buy Qty

Sell Sym

Sell Qty

Status

Figure 33

BarterSecurities Control Center

The **Control Center** is the starting point to create and send orders, and to check on trades and positions. Although users may have multiple accounts, the information shown in the **Control Center** applies only to the **Account** designated in the upper left corner.

You may create a new order by clicking the **Place Order** button on the upper right of the screen. Doing so pops up the Order Entry screen from which you may (1) save the order for later use, (2) create a Market or Limit order, or (3) trade directly from the Limit Order Book (LOB) for your order.


The **Open Orders** tab shows orders that have been sent and are pending prior to execution. For example, if you submit a limit order that is away from the market and so cannot be traded, it will be shown in this tab. Orders are shown as Open, Filled, Out, Canceled, Part Fill, Part Fill--Canceled, or Part Fill--Out. Right-clicking on an order's line brings up a menu which allows you to change or cancel the order. Note that when you trade directly from the LOB, you receive an instantaneous confirmation; hence, your order will not show up in the Open Orders tab.

The **Order History** tab summarizes the barter trades that you have made. By default, trades for all symbols are shown. By filling in the appropriate fields, you may choose to limit the viewed barter trades to only those involving one stated symbol, or only those involving two stated symbols in combination. You may also choose to view only those trades within a stated historical time period. By clicking on a column header, you may sort trades in the list according to the column's attribute. (E.g., "symbol" or "Date/Time".)

The **Saved Orders** tab shows all orders that you have saved for delivery in the future. If you saved an order from the Market Order Entry or Limit Order Entry screens, that fact is indicated in the **Type** column. Double-clicking on one of these orders pops up the respective Market or Limit screen for modification of the order and/or order delivery. If you saved the original order from the main **Order Entry** screen, then there is no corresponding indicator in the **Saved Orders** tab. Double-clicking on such an order pops up the main **Order Entry** screen from which you can initiate a limit or market order or choose to trade directly from the LOB. Right-clicking on any saved order pops up a menu that allows you to trade the order from the LOB, edit the order, or delete it.

The **Portfolio** tab lets you view your current inventory of long and short securities. Double-clicking on any security's row in this tab pops up the main **Order Entry** screen with the security symbol and quantity filled in to effect a closing trade. For example, if you are short 500 IBM, the **Order Entry** screen would show a buy of 500 IBM. After filling in a buy-side security and quantity, you may submit the order.

Figure 34



All Trades

Buys only

Sells only

Date	Symbol	Action	Shares	Price	Amount	OrderID
12/20/01	MSFT	BUY	2000	63.02	\$126,040.00	123678
12/20/01	CSCO	SELL	7000	18.50	\$129,500.00	123679
12/19/01	GPS	BUY	6000	12.95	\$77,700.00	124821
12/19/01	QQQ	SELL	2000	36.40	\$72,800.00	123622

☒ All Symbols
 ☐ All Trades
 ☐ Symbol #1
 ☐ Symbol #2
 ☐ All Dates
 Previous
 days
 From
 to
 MM/DD/YY
 MM/DD/YY
 Go

(optional)

Saved Orders									
LOB	Buy Symbol	Buy Order Quantity	Sell Symbol	Sell Order Quantity	Action	Debit	Credit	Conditions	Date Time
MSFT	BUY 1000		INTC	SELL 2000					12/19/01 13:18
CSCO	BUY 6000		SEBL	SELL 4000				Yes	12/19/01 13:19
MSFT	BUY 1000		CSCO	SELL 3000		PAY \$3,100.50		No	12/19/01 13:21
VRTS	BUY 2000		CSCO	SELL 4000					12/19/01 13:18

Trade

Add
 Edit
 Delete
 Cancel

Figure 36

BarterSecurities Order Entry

Account ▼ Help

Buy Side		Sell Side	
Symbol	<input type="text" value="MSFT"/> Lookup	<input type="text" value="INTC"/> Lookup	
Shares	<input type="text" value="1000"/> \$	<input type="text" value="2000"/> \$	

Trade From Order Book Market Order Limit Order

Save Clear Close



Calculate Shares

Enter Dollar Amount

OK Cancel

Figure 37

BarterSecurities Order Entry

Bring up the **Order Entry** screen either by clicking the **Place Order** button on the **BarterSecurities Control Center**, or by double-clicking a saved order. To begin to place an order, first make sure the **Account** number in the upper left of the screen is correct. Then describe your order by filling in just four fields: buy-side symbol, sell-side symbol, buy-side shares and sell-side shares.

If you wish to express quantity in terms of dollars, click the "\$" button next to a **Shares** field. The **Calculate Shares** screen pops up in which you can enter the desired number of dollars. Clicking **OK** transforms the dollars into shares of a security based on the **Last Trade** price of the security.

Unlike traditional one-sided orders, you don't have to specify limit or market status to trade a barter order unless you prefer to do so. You can trade directly from the Limit Order Book for your order.

Market Orders

To send a market order after you have filled in symbol and quantity information, click **Market Order**. You will be asked whether you would like to attach contingencies to your order. For example, you could send your market order only when the price of your buy-side security touches \$50. To learn more click Market Order entry.

Limit Orders

To send a limit order after you have filled in symbol and quantity information, click **Limit Order**. You will be asked to attach a limit price to your order as well as other optional information. To learn more click Limit Order entry.

Trade from Order Book

To view the current offers for your order, or to trade directly against the existing offers for your order, click **Trade from Order Book** after you have filled in symbol and quantity information on the **Order Entry** screen. Using the Limit Order Book (LOB) lets you complete a trade without specifying a limit price for your trade and even without specifying Market or Limit status. You can trade on individual offers that are internal to the BarterSecurities system, or you can trade simultaneously with one-click (Quick Fill) on all of the available internal offers up to the quantities that you specified in your incoming order. To learn more about the fastest way to trade your order, click Limit Order Book.

Save Order

To save an order for use later click the **Save** button. The order is saved in the **Saved Orders** tab of the **Control Center**. When you double-click the order in the **Control Center**, your order will pop up in the **Order Entry** screen, from which you can designate a market or limit order, or **Trade from Order Book**. If you wish to save an order along with limit order information, you should click the **Limit Order** button on the **Order Entry** screen, enter the relevant information, and then click the **Save** button on the **Limit Order Entry** screen. The order will still be saved in the **Saved Orders** tab of the **Control Center**, but double-clicking the order will pop up the **Limit Order Entry** screen from which you can modify your information and/or send your order. Likewise for saved market orders.

Figure 38

BarterSecurities Limit Order Book

Buy 1000 MSFT / Sell 2000 INTC

View

Help

National Best Bid and Offer (NBBO)

Sym	LT	Chg	Bid	Ask	Size
MSFT	54.98	+0.00	54.98	55.00	500 x 500
INTC	27.01	+0.00	27.03	27.02	200 x 1000

Fill Order

BUY 1000 MSFT @ 55.0075

SELL 2000 INTC @ 27.00

You save \$38.50.

Quick Fill

Internal Offers

View Level II Quotes

View National Markets

Type	Shares	MSFT	Ask	Cost compared to Nat'l prices	Trade
Lim	500 x 1000	54.995	55.01	SAVE \$13.50	Trade up to
MM	250 x 500	55.01	55.03	SAVE \$13.75	Trade up to
MM	250 x 500	55.03		SAVE \$17.25	Trade up to

Close

View Level II Quotes

View National Markets

Figure 39

Level II Quotes

Buy 1000 MSFT / Sell 2000 INTC

INTC				MSFT			
27.00	200	27.01	1200	54.98	100	55.00	200
26.99	100	27.01	200	54.98	400	55.00	300
26.99	300	27.02	1300	54.97	1100	55.01	100
26.99	100	27.02	400	54.97	900	55.01	400
26.98	500	27.02	800	54.96	300	55.01	300

Figure 40

Internal and External Offers

Buy 1000 MSFT / Sell 2000 INTC

Close		Change external trading preferences . . .		
Type	Shares MSFT x INTC	MSFT Ask	Cost compared to Nat'l prices	
Lim	500 x 1000	54.995	SAVE \$13.50	Trade
NATL	100 x 200	55.00		Trade up to
MM	250 x 500	55.01	SAVE \$13.75	Trade up to
NATL	250 x 500	55.02		Trade up to
MM	250 x 500	55.03	SAVE \$11.25	Trade up to
NATL	100 x 200	55.04		Trade up to
NATL	100 x 200	55.05		Trade up to
NATL	400 x 800	55.075		Trade up to

Figure 41

BarterSecurities Limit Order Book (LOB)

You can use the LOB to view national-market information for the securities that comprise your barter order, or you may view and trade on the BarterSecurities system-generated ("Internal") offers for your order. When you trade on an Internal offer, you receive an **Instant Confirmation**.

For the stocks that you specified in the Order Entry screen you can view traditional single-stock National Best Bid and Offer (NBBO) prices and sizes, single-stock national Level II quotes, and national-market offers for your barter order.

You can trade on Individual Internal offers, or you can trade simultaneously with one-click ("**Quick Fill**") on all of the available Internal offers up to the quantities that you specified in your incoming order. You can observe the value of the difference between National and Internal offers for your barter order ("**You Save**").

What do you want to link to?

National Market Information

Creating National Market Responses on the BarterSecurities Limit Order Book

Trading on Individual Offers for a Barter Order

Trading using the Quick Fill button

Calculation of Savings from Internal Offers on the BarterSecurities Limit Order Book

Instant Confirmation

Figure 42

National Market Information

The BarterSecurities Limit Order Book (LOB) provides three types of national market information for the stocks that you specified in the Order Entry screen: (1) National Best Bid and Offer (NBBO) markets, (2) Level II Quotes, and (3) national offers for your barter (two-sided) order.

NBBO Markets

The top section of the LOB shows your incoming order and the NBBO markets for the two stocks that you specified in your order. The NBBO information shown is the last trade, daily price change, bid, ask, bid size, and ask size for each security. Bid and ask sizes are shown in numbers of shares, rather than in hundreds of shares. Columns can be reordered by dragging and dropping.

Level II Quotes

Level II Quotes for the two stocks that you specified in your barter order can be viewed either by clicking the **View Level II Quotes** button in the Individual Offers section of the LOB, or by choosing **View Level II Quotes** from the **View** menu at the top of the LOB.

In the Level II Quotes screen live Level II bids and offers are shown for your sell-side security on the left and for your buy-side security on the right. Clicking the **<Collapse>** button places the bids of the security that you intend to sell next to the asks of the security that you intend to buy. In this form it is easier to see the capacity of the national markets to satisfy your incoming order.

National ("External") Barter Offers

National offers for your two-sided order can be viewed either by clicking the **View National Markets** button in the Individual Offers section of the LOB, or by choosing **View National Markets** from the **View** menu at the top of the LOB.

The National Markets screen shows the quantity of shares (in the ratio that you specified in your incoming order) that is available at respective bid prices (for your sell-side stock) and ask prices (for your buy-side stock). This information is compared to the offers that are internal to the BarterSecurities system to calculate the price and quantity advantages of trading on Internal markets.

Figure 43

Trading on Individual Offers for a Barter Order

The bottom section of the Limit Order Book (LOB), entitled "Internal Offers", normally shows several offers for the two-sided order that you specified in the Order Entry screen. These offers are internal to the BarterSecurities system; i.e., they are not available in the national markets. The system displays all available internal offers up to a cumulative share quantity equal to the quantities that you specified in Order Entry screen. The offers are ranked from most favorable to least favorable offer price, and they retain the ratio of buy-quantity to sell-quantity that you specified. **IMPORTANT:** All offers are expressed as selling your sell-side security on the current NBBO bid price and buying your buy-side security at the variable Ask price shown.

The data displayed for each internal offer are (1) a barter quantity expressed in actual (not hundreds of) shares, (2) a sell-side security bid price (i.e., the current NBBO bid), (3) a buy-side security ask price (used to rank the offers) and (4) a dollar amount of savings relative to executing your order on the national markets. See how Savings is computed.

Next to the most attractive offer is a **Trade** button and next to each subsequent offer is a **"Trade up to"** button. Clicking on one of these buttons generates an instantaneous trade report at the quantities and prices currently displayed. If a trader clicks a **"Trade up to"** button, then the indicated offer and all more attractive offers are sent for execution. **NOTE:** Traders must exercise care if displayed offers are changing rapidly.

A **Save** amount less than zero means that it may be more expensive to execute your order internally (i.e., on the BarterSecurities system) than on a national market. However, the BarterSecurities system has these advantages: (1) your order confirmation is immediate, (2) your specified security quantity ratio is preserved, and (3) the internal quantity depth offered may be greater than on the national market.

Figure 44

Trading using the Quick Fill button

The middle section of the Limit Order Book (LOB), entitled "Fill Order", provides a convenient way to view the aggregation of the Individual Offers shown in the bottom section of the LOB. The Quick Fill offer is designed to fill your incoming order, provided that enough individual offers exist to do so. The Quick Fill quantity is the sum of the available individual offer quantities up to the size of your incoming order. The Quick Fill sell-side price is that security's current NBBO bid and the buy-side price is the quantity-weighted average of the individual offer buy-side ask prices.

The data displayed for the Quick Fill offer are (1) buy- and sell-side quantities expressed in actual (not hundreds of) shares, (2) the sell-side security bid price (i.e., its current NBBO bid), (3) a buy-side security ask price and (4) a dollar amount of savings relative to trading the Quick Fill quantities on the national markets. See how Savings is computed.

To trade against the Quick Fill offer, just click the **Quick Fill** button. Doing so generates an instantaneous trade report at the quantities and prices currently displayed. NOTE: Traders must exercise care if displayed offers are changing rapidly.

Quick Fill savings less than zero means that it may be more expensive to execute your order internally (i.e., on the BarterSecurities system) than on a national market. However, the BarterSecurities system has these advantages: (1) your order confirmation is immediate, (2) your specified security quantity ratio is preserved, and (3) the internal quantity depth offered may be greater than on the national market.

Figure 45

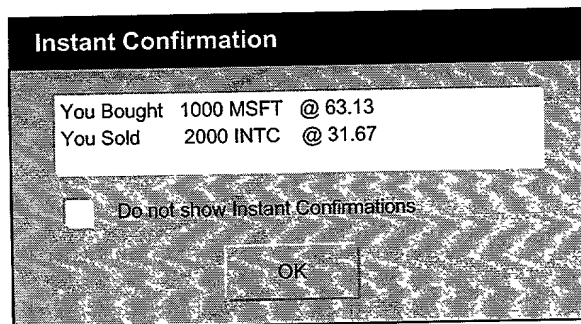


Figure 46

Instant Confirmation

Whenever the **Quick Fill** button (middle of LOB) or a **Trade** or "**Trade up to**" button (lower part of LOB) is clicked, an immediate confirmation is generated. The **Instant Confirmation** shows the amount of the buy-side security purchased and the amount of the sell-side security sold, along with the respective prices.

If an LOB offer is changing as it is clicked, the **Instant Confirmation** may not be for the amount of buy-side and sell-side securities that you intended to buy/sell. However, the following conditions are always satisfied: (1) you will always trade the buy-side and sell-side securities in the ratio indicated in the **Order Entry** screen, and (2) you will never trade more than the quantities indicated in the **Order Entry** screen.

When the Instant Confirmation is received, you no longer have an order pending. If you have not traded all of the quantity that you desired to trade, you must send an additional order by clicking again on the **Quick Fill** or **Trade** (or "**Trade up to**") buttons. The maximum quantities shown in the offers will reflect the amount of the original order that has already been traded.

Figure 47

Creating National Market Responses on the BarterSecurities Limit Order Book

To illustrate how national offers for a barter order are calculated, suppose you have just submitted the order:

BUY 1000 MSFT / SELL 2000 INTC.

Also assume that the national order books for INTC on the bid side and MSFT on the ask side are as shown in Tables 1A and 1B.

Table 1A
INTC: National Bids

Bid Price	Bid Size
27.00	200
26.99	500
26.98	500
26.97	1000

Table 1B
MSFT: National Asks

Ask Price	Ask Size
55.00	500
55.01	1000

Offer prices for your order (executed in a 2-1 ratio) as derived from the national markets for the single stocks, are shown in Table 2 in order of best to worst offer.

Table 2
National Offers for your Barter Order
Buy 1000 MSFT / Sell 2000 INTC

Row Number	Size (MSFT x INTC)	INTC Bid Price	MSFT Ask Price	Barter Offer Price (MSFT - 2 x INTC)
1	100 x 200	27.00	55.00	1.00
2	250 x 500	26.99	55.00	1.02
3	150 x 300	26.98	55.00	1.04
4	100 x 200	26.98	55.01	1.05
5	400 x 800	26.97	55.01	1.07

Based on the best MSFT offer of 500 shares (Table 1B), the system looks for 1000 shares on the INTC side. It finds only 200 INTC at the best price (Table 1A), so that only 100 MSFT can be matched with it (Table 2, row 1), leaving 400 MSFT offered at 55.00. The 400 MSFT at 55.00, requires 800 INTC, but there is only 500 INTC at the next price of 26.99 (Table 1A). It can be matched against only 250 MSFT at 55.00 (Table 2, row 2), leaving 150 MSFT at 55.00 that is still usable, and so on until there is enough depth to fill your order, or until the national books are exhausted.

In Table 2, the Barter Offer Price is the cost of trading the indicated piece of your order at each row's prices and sizes, and is expressed per 100 shares of the buy side, in this case MSFT.

Figure 48

Calculation of Savings from Internal Offers on the BarterSecurities Limit Order Book

Trading on the BarterSecurities system saves you money relative to the national markets. An illustration of this is given below.

Suppose you have just submitted the order:

BUY 1000 MSFT / SELL 2000 INTC.

Also suppose that the national market offers for your order are as is shown in Table 1 (see separate sheet). To see how these offers were calculated, [click here](#).

[Table 1]

Often, there are additional offers that are internal to the BarterSecurities system that will improve national markets by providing either more favorable execution prices, by providing a greater quantity to trade, or both. Certain offers may originate with professional marketmakers. Other internal offers may arise due to outstanding limit orders, either alone or in combination. For example, a limit order to buy INTC and sell CSCO, and a second order to buy CSCO and sell MSFT, may create an "implied" offer for an incoming barter order to buy MSFT and sell INTC. To learn more, see Order Matching.

Suppose that one marketmaker is willing to respond to your barter order by simultaneously buying 1000 INTC at 27.00 and selling 500 MSFT at 55.00, and that a second marketmaker is willing simultaneously to buy 1000 INTC at 26.99 and sell 500 MSFT at 55.01. In the form of the previous table, the marketmaker offers are expressed below.

Size (MSFT x INTC)	INTC Bid Price	MSFT Ask Price	Barter Offer Price (MSFT - 2 x INTC)
500 x 1000	27.00	55.00	1.00
500 x 1000	26.99	55.01	1.03

The offer prices for your barter order, updated to include the marketmaker offers, are shown in Table 2 (see separate sheet). Note that the second marketmaker's internal response is split into two rows (#4 and #5) because only the first row of the two is necessary to fill your order of 2000 INTC, 1000 MSFT.

[Table 2]

The introduction of internal offers represents savings to you, the customer. To compute these savings, which are shown in Table 3, the system compares the internal offers to the offers that would have been available for those same shares in the national markets. In Table 3 (see separate sheet) the first row shows that the first

[Table 3]

Internal offer of 500 shares (Table 2, row 2) takes the place of three national offers of varying share amounts (Table 2, rows 1, 3, and 6). That is, an offer of 1.00 replaces three national offers of 1.00, 1.02, and 1.04. The weighted national offer is 1.022 (i.e., $\$1.00 \times 100 + \$1.02 \times 250 + \$1.04 \times 150$), so the savings is \$11.00 ($500 \times \$0.022$). Similarly, the Internal offer of 1.03 (Table 2, rows 4 and 5) would have been traded at 1.05 and 1.07 in the national market (Table 2, rows 7 and 8), implying a savings of \$18.00 ($\$0.02 \times 100 + \0.04×400) on the BarterSecurities internal side. The total savings for your complete order is \$29.00.

Figure 49

Calculation of Savings from Internal Offers on the BarterSecurities Limit Order Book

Tables 1, 2, and 3

Table 1 National Offers for your Barter Order Buy 1000 MSFT / Sell 2000 INTC				
Row Number	Size (MSFT x INTC)	INTC Bid Price	MSFT Ask Price	Barter Offer Price (MSFT - 2 x INTC)
1	100 x 200	27.00	55.00	1.00
2	250 x 500	26.99	55.00	1.02
3	150 x 300	26.98	55.00	1.04
4	100 x 200	26.98	55.01	1.05
5	400 x 800	26.97	55.01	1.07

Table 2 BarterSecurities Offers for your Barter Order Buy 1000 MSFT / Sell 2000 INTC					
Row Number	Size (MSFT x INTC)	INTC Bid Price	MSFT Ask Price	Order Type	Barter Offer Price (MSFT - 2 x INTC)
1	100 x 200	27.00	55.00	National	1.00
2	500 x 1000	27.00	55.00	Internal	1.00
3	250 x 500	26.99	55.00	National	1.02
4	150 x 300	26.99	55.01	Internal	1.03
5	350 x 700	26.99	55.01	Internal	1.03
6	150 x 300	26.98	55.00	National	1.04
7	100 x 200	26.98	55.01	National	1.05
8	400 x 800	26.97	55.01	National	1.07

Table 3 Savings from Internal Order					
<u>Internal Offers</u>			<u>National Offers</u>		
Buy-side Shares	Table 2 Rows	Share-weighted Barter Offer Price	Table 2 Rows	Share-weighted Barter Offer Price	Savings
(1)	(2)	(3)	(4)	(5)	(1) x [(5) - (3)]
500	2	1.00	1,3,6	1.022	\$11.00
500	4,5	1.03	7,8	1.066	\$18.00
Total					\$29.00

Figure 50

BarterSecurities Limit Order Entry

Buy 1000 MSFT	Ask	PAY \$1,000
Sell 2000 INTC	Bid	PAY \$930

Total Dollar Limit (before commissions)

☒ Pay no more than
☐ Receive at least

☐ All or None
 ☐ Do not reduce
 ☐ Minimum sell-side shares:

Trade order only if--

☐ MSFT price is less than or equal to
☐ INTC price is less than or equal to

Dollar Limit Calculator

MSFT Price Insert Dollar Limit

INTC Price

MSFT	Last	Chg	Bid	Ask	Size
	54.98	+1.30	54.97	55.00	500 x 500
INTC	27.01	+0.80	27.00	27.02	200 x 1000

BarterSecurities Limit Order Entry

Buy 1000 MSFT	Last	PAY \$980	Ask	PAY \$1,000
Sell 2000 INTC	Bid	PAY \$930		

Total Dollar Limit (before commissions)

☒ Pay no more than
☐ Receive at least

Dollar Limit Calculator

MSFT Price Insert Dollar Limit

INTC Price

MSFT	Last	Chg	Bid	Ask	Size
	54.98	+1.30	54.97	55.00	500 x 500
INTC	27.01	+0.80	27.00	27.02	200 x 1000

Figure 51

BarterSecurities Market Order Entry

BUY 1000 MSFT + SELL 2000 INTC

☒ No price contingencies
 ☐ Execute Dual Market Order when buy side price touches _____
 ☐ Execute Dual Market Order when sell side price touches _____

Figure 52

Limit and Market Orders

Limit Orders

Usually, limit prices for a barter order are expressed in terms of a Total Dollar Limit for the order as a whole, rather than in terms of per-share limit prices for individual securities.

Consider the barter order to Buy 1000 MSFT and Sell 2000 INTC. Suppose a trader wants to net from this order the same amount as if MSFT traded at \$50 and INTC traded at \$26. This is equivalent to receiving \$2000; i.e., $[2,000 \times \$26 - 1,000 \times \$50]$. By setting the Total Dollar Limit to "Receive at least \$2000", the trader allows the trade to execute at any combination of per-share prices that satisfy the limit, such as $(\$50/\$26)$, $(\$52/\$27)$, $(\$49/\$25.50)$, etc.

The Total Dollar "current market" is shown in the upper right corner of the Limit Order Entry screen under the headers Last, Bid, and Ask. These values are based on the markets in the individual securities shown at the bottom of the screen. Suppose the current single-stock markets are:

	Last	Bid	Ask
MSFT	54.98	54.97	55.00
INTC	27.01	27.00	27.02

Then, as explained below, the Total Dollar spread of a barter order,
BUY 1000 MSFT / SELL 2000 INTC
would be:

Last	Bid	Ask
PAY \$960	PAY \$930	PAY \$1000

The Total Dollar "Last" is based on the "Last" prices of the individual securities. That is, "PAY \$960" = $+1000 \times 54.98 - 2000 \times 27.01$. The Total Dollar Bid is based on buying MSFT on its bid and selling INTC on its ask; i.e., "PAY \$930" = $+1000 \times 54.97 - 2000 \times 27.02$. Normally you would not be able to trade at these prices immediately, but marketmakers might be able to do so. The Total Dollar Ask is based on buying MSFT on its ask and selling INTC on its bid; i.e., "PAY \$1,000" = $+1000 \times 55.00 - 2000 \times 27.00$. Normally you would be able to trade at these prices immediately.

Thus, a Total Dollar Limit of "Pay no more than \$850", is \$150 more favorable to you than the value at which you can trade immediately, and it is \$80 more favorable than the value at which marketmakers might be able to trade your order for themselves.

If you prefer to think about your Total Dollar Limit in terms of individual stock prices, you may use the **Dollar Limit Calculator** in the middle of the Limit Order Entry Screen. Enter two share prices and click the **Insert Dollar Limit** button to create your Total Dollar Limit.

Setting a Total Dollar Limit can produce the same dollar results for a barter order as setting per-share limits, but it is less restrictive. It is recommended because it produces a greater probability of getting a barter order executed. Per-share limits should be used only if you are sensitive to the trade price of one of the legs of the order. If you do wish to set a per-share limit price for one or both securities in your barter order click on **Conditions>>>**. An additional segment of the Limit Order Entry screen appears, which allows you to set per-share limit prices and to set timing and other options for your order.

Market Orders

The default market order is "No price contingencies", which means that your order will be delivered as soon as you submit and confirm it. Alternatively, you may place a per-share price contingency on the delivery of the order. Upon submitting the order the system will ask you to confirm your order currently, but the order will not be delivered to the market until the indicated price contingency is satisfied. If and when the order is delivered to the market, it will behave like two traditional market orders: one for the buy leg and one for the sell leg.

Figure 53

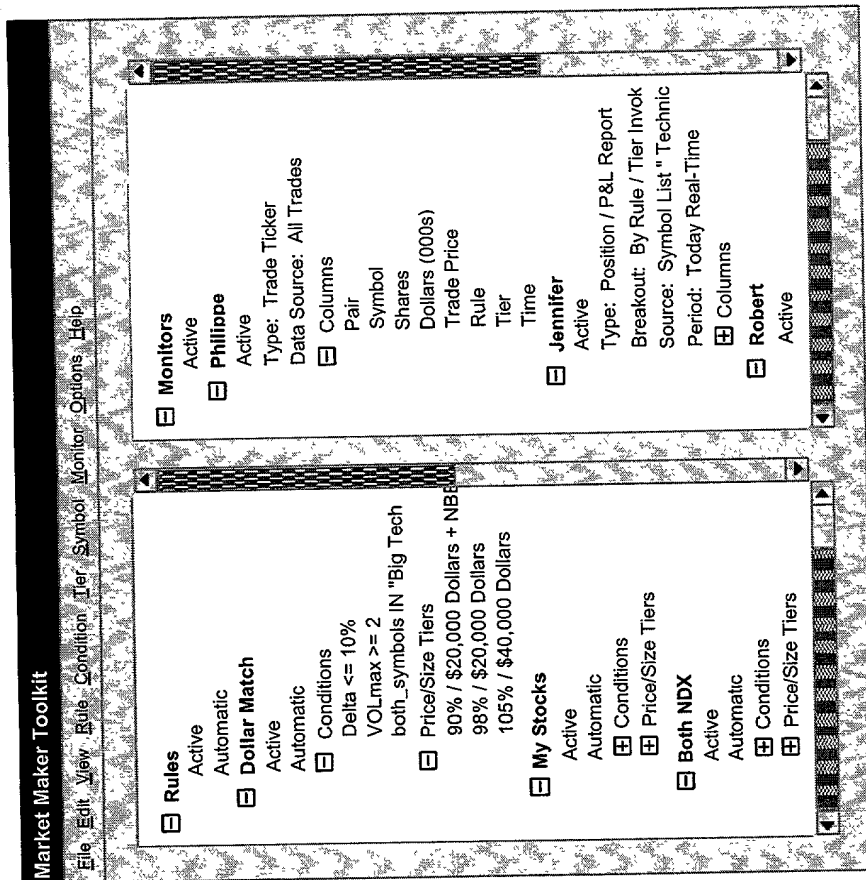


Figure 54

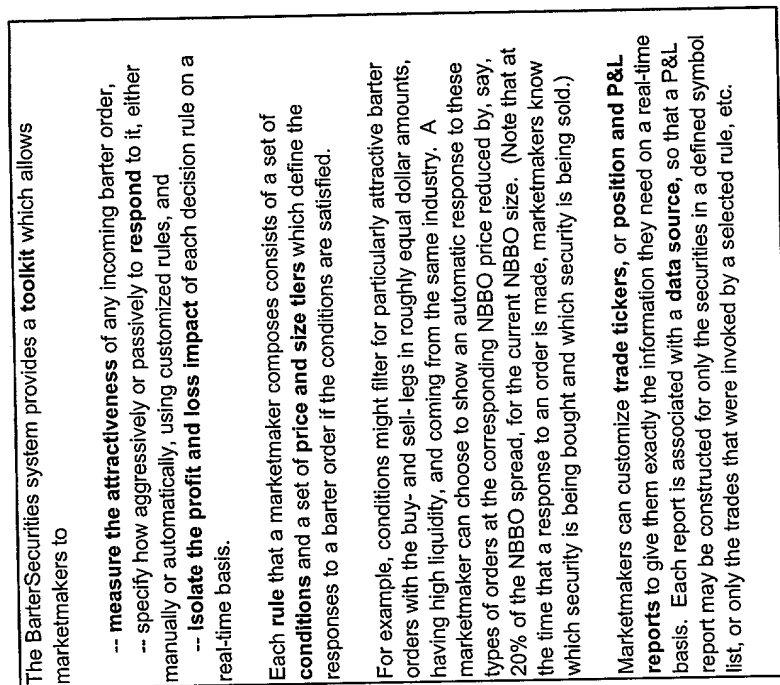


Figure 55

New Rule

Rule Name

☐ Disable Rule

☐ Manual Rule

Figure 56

To create a rule, select **New...** from the **Rule** menu of the Marketmaker Toolkit. In the **New Rule** pop-up screen, enter the name of your rule, and choose whether to disable the rule or to make the rule manual.

Only Active rules are used to respond to barter orders. A rule can be activated or disabled at any time by right-clicking the rule name in the Toolkit and selecting the appropriate attribute. Disabled rules are dimmed in the Toolkit window.

All active rules produce automatic responses to barter orders if the rule's conditions are satisfied, unless you choose to respond manually. Responses to orders can be toggled from automatic to manual by right-clicking the rule name and selecting the appropriate attribute.

Figure 57

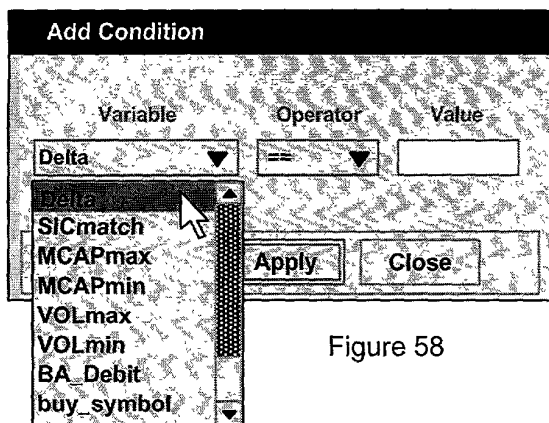


Figure 58

To create a set of conditions for a rule first click on the rule to select it. Then select **New...** from the **Condition** menu. In the **Add Condition** pop-up screen, choose a **Variable** and an **Operator** and enter a **Value** to define the condition.

Variables are keywords that define characteristics of the barter order such as (1) closeness of the buy-side and sell-side dollar amounts, (2) industry closeness of the two legs, (3) volumes, (4) market capitalizations, etc. Additionally, marketmakers can use variables to test for inclusion in default symbol lists, such as the S&P500, or in symbol lists that they define using the **Symbol** menu in the Toolkit.

Operators are usually equality and inequality signs, but change to <IN> and <NOT IN> when a variable is testing for inclusion in a symbol list.

An example of a condition is:

Delta < 10%,

where Delta is a measure of the closeness of the buy-side and sell-side dollar amounts. A delta of 10% means that the dollar amounts of the two barter order legs differ by 10% of the greater amount.

Another example of a condition is:

buy_symbol IN "Big Tech",

where "Big Tech" is the name of a symbol list that the user has defined.

Figure 59

Definitions of Variables and Allowable Value Ranges.

Examples

Variable	Definition	Range (units)
Delta	$\text{abs}(\$long - \$short) / (\max(\$long, \$short))$	0-100%
SICmatch	Number of SIC code digits of buy and sell that match, starting from left.	0,1,2,3,4
MCAPmax	Market Cap of larger-cap stock	(\$bil)
MCAPmin	Market Cap of smaller-cap stock	
VOLmax	Avg Daily \$-volume traded, last 30 days, of more-active stock.	(\$mil)
VOLmin	Avg Daily \$-volume traded, last 30 days, of less-active stock.	
BA_Debit	Debit value of bid/ask spread of Barter Order on NYSE and Nasdaq inside prices.	(Dollars)
The following variables are used to check for inclusion in a Symbol List.		
buy_symbol	Symbol of the incoming order's buy-side security.	(List Name)
sell_symbol	Symbol of the incoming order's sell-side security.	(List Name)
both_symbols	The set of two incoming security symbols.	(List Name)
one_symbol	At least one of the incoming security symbols.	(List Name)
The following variables are used to query a marketmaker's portfolio status.		
Inventory_Buy_Shs	The number of shares of the incoming sell-side security (i.e., the MM is buying) currently in the MM portfolio.	(Shares)
Inventory_Sell_Shs	The number of shares of the incoming buy-side security (i.e., the MM is selling) currently in the MM portfolio.	(Shares)
Inventory_Buy_Val	The dollar value of the incoming sell-side security (i.e., the MM is buying) currently in the MM portfolio.	(Dollars)
Inventory_Sell_Val	The dollar value of the incoming buy-side security (i.e., the MM is selling) currently in the MM portfolio.	(Dollars)

Figure 60

Examples of Variable usage.

'Delta' measures the dollar amount of exposure of the Barter Order. If the retail trader's buy side debit is \$100,000 and the sell side credit is \$75,000, the **delta** is

$$25\% = |100000 - 75000| / \max(100000, 75000).$$

'SICmatch' shows how industry-related two stocks are. Matched digits are counted from the left until a match fails, after which remaining digits do not count.

SIC #1	SIC #2	SICmatch
4013	4031	2
2631	4031	0.

MCAPmax and MCAPmin measure market capitalization of the bigger and smaller stock, respectively. To ensure that both stocks' market cap exceeds \$1 billion, enter "MCAPmin >= 1". To ensure that at least one stock's market cap exceeds \$10 billion, enter "MCAPmax >= 10".

VOLmax and VOLmin measure the dollar volume of the more- and less-active stock, respectively. To ensure that both stocks trade at least \$2 million per day, on average, enter "VOLmin >= 2". To identify trades in which neither stock trades more than \$2 million per day, on average, enter "VOLmax <= 2".

BA_Debit is the dollar width of a Barter Order on the NBBO market. If a retail trader wishes to buy 100 ABC on the NBBO market 50-50.25 and sell 300 XYZ on the NBBO market 20-20.10, then the dollar size of the spread is \$55, or $100 \times 0.25 + 300 \times 0.10$.

'Symbol' variables allow the marketmaker to identify whether stock symbols fall in marketmaker-created lists. Suppose the marketmaker sets the symbol list below:

List_1: IBM, CPQ, DELL, SUNW, HWP

To ensure that at least one of the Barter Order symbols falls in the list, enter
one_symbol IN List_1.

To ensure that neither Barter Order symbol falls in the list, enter
both_symbols NOT IN List_1.

Use "Inventory" variables to test a marketmaker's portfolio. To test whether a portfolio is short the security that the marketmaker is buying, enter
inventory_buy_shs < 0.

Figure 61

Greater of --
Lesser of --
Only % of NBBO
Only cents per share

Greater of --
▼

95
▼

Lesser of --
▼

1.5
▼

Only % of NBBO
▼

1.5
▼

Only cents per share
▼

1.5
▼

Offer Price
▼

% of NBBO spread

cents per share

Offer Size

Shares

1000

OK

Apply

Close

Shares
Dollars
Shares + NBBO
Dollars + NBBO

Figure 62

Figure 63

Use Price/Size Tiers to create a set of responses to barter orders that satisfy the conditions of a certain rule.

To create the response tiers first click on a rule to select it. Then select **New...** from the **Tier** menu. In the **Add Price/Size Tier** pop-up screen choose an **Offer Price** and an **Offer Size**. (A marketmaker response to a barter order is referred to as an "offer", although both a single-stock bid and a single-stock offer are implied. At the time that the offer is made, a marketmaker knows which security is being bought and which is being sold.)

An offer price may be expressed as a percentage of the current National Best Bid and Offer (NBBO) spread, in incremental cents per share, or as the greater or lesser of those two quantities. For example, suppose an incoming barter order is:

Buy 1000 ABCD
Sell 2000 WXYZ.

and suppose the NBBO markets are:

	Bid	Offer
ABCD	52.02	52.05
WXYZ	24.01	24.03

The NBBO dollar spread for the barter order is \$70.00; i.e., $1000 \times 0.03 + 2000 \times 0.02$. Therefore, a barter offer price of 90% implies a spread of \$63.00. A marketmaker who offers at 90% would be willing simultaneously to buy WXYZ on the bid and sell ABCD at 52.043. ($\$63 = 1000 \times 0.023 + 2000 \times 0.02$.)

An offer size is expressed either in shares or dollars, either alone or in addition to the current NBBO depth. An offer size of \$20,000 means that each leg of a barter order may be traded up to that amount.

Marketmakers can attach any number of price/size tiers to a given rule.

Create Ticker

Ticker Name: Philippe

Data Source (Choose one)

☐ All Trades
 ☐ Trades with one symbol:
 ☒ Trades from symbol list:
 ☐ Trades invoked by rule:
 ☐ Trades invoked by rule: tier:

Columns: (Choose one or more)

☒ Pair
 ☒ Symbol
 ☒ Share quantity
 ☒ Dollar Value
 ☒ Trade Price
 ☒ Rule invoked
 ☒ Price tier
 ☒ Time stamp

Big Tech

OK

Cancel

Figure 64

Trade Ticker

Name: PHILIPPE

Data Source: Symbol List "Big Tech"

Pair	Symbol	Shares (000's)	Dollars	Trade	Price	Rule	Tier	Time
MSFT	INTC	5600	44	73.02	BothNDX	89%	93501	
XX	INTC	-1200	45	37.02	BothNDX	89%	93501	
OSCO	INTC	-1000	24	23.55	MyStocks	97%	93815	
INTC	INTC	+200	7	37.02	DollarMatch	90%	94251	

Find Sibling

This Trade Snapshot P&L

All Trades Snapshot P&L

Figure 65

Trade Tickers produce in real-time a new line of information for each of the marketmaker's automatic and manual trades.

Marketmakers can create different tickers based on multiple **Data Sources**. For example, one ticker might show the trades for all stocks within a certain user-defined symbol list, while another ticker might show all trades prompted by a selected trading decision rule.

Marketmakers also can select the **Columns** that they want the ticker to show, such as shares traded and trade price, and the rule that invoked a trade. The column **Pair** indicates which trades in a Trade Ticker were executed as part of the same barter order. Certain trades in a Trade Ticker may appear without the corresponding legs of their barter orders since the data source of the ticker excludes one leg. For example, a data source of Nasdaq 100 stocks would exclude IBM from a ticker in the case of a MSFT vs. IBM barter order. In this case, right-clicking on the unmatched trade in the ticker allows a marketmaker to access the trade's "sibling".

Marketmakers can modify, delete, or move Trade Ticker columns by using the Monitor menu, by clicking and dragging column items within the toolkit window, or by right-clicking on the columns in the Trade Ticker screen. Marketmakers can retrieve snapshot P&L information on one or more trades by right-clicking on a trade ticker row.

Figure 66

Create Position / P&L Report

Report Name:

Report Breakout (Choose one) <ul style="list-style-type: none"> <input type="radio"/> By stock symbol <input type="radio"/> By rule invoked <input type="radio"/> By rule and tier invoked <input type="radio"/> Show totals only 	Data Source (Choose one) <ul style="list-style-type: none"> <input type="radio"/> All Trades <input type="radio"/> Trades with one symbol: <input type="text"/> <input type="radio"/> Trades from symbol list: <input type="text"/> <input type="radio"/> Trades invoked by rule: <input type="text"/> <input type="radio"/> Trades invoked by rule: <input type="text"/> tier: <input type="text"/>
Time Period (Choose one) <ul style="list-style-type: none"> <input type="radio"/> Today, real-time <input type="radio"/> Hours, today: <input type="text"/> hhmm to <input type="text"/> hhmm <input type="radio"/> Prior dates: <input type="text"/> mmddyy to <input type="text"/> mmddyy <input type="radio"/> Inception to date 	Columns (Choose one or more) <ul style="list-style-type: none"> <input type="checkbox"/> Separate tier <input type="checkbox"/> Dollar Involved <input type="checkbox"/> No. of Trades <input type="checkbox"/> Total P&L <input type="checkbox"/> Realized P&L <input type="checkbox"/> Unrealized P&L <input type="checkbox"/> Rules Invoked <input type="checkbox"/> Price tier involved

OK Cancel

Figure 67

Marketmaker Position and P&L

Name: JENNIFER

Breakout: By Rule / Tier Invoked

Source: Symbol List "Technical Buy"

Period: Today / Real-time

Dollars in 000's

Rule	Tier	Price	Dollar Inventory	Total P&L	Realized P&L	Unrealized P&L
ALL	ALL		300	18	10	8
Dollar Match	ALL		(1,200)	13	8	5
	90%		1,000	8	3	5
	98%		(1,000)	4	3	1
	105%		800	1	2	(1)
My Stocks	ALL		(900)	8	1	7
	95%		1,200	6		6
	100%		(2,100)	2	0	2
Both NDX	ALL		2,400	(3)	1	(4)
	95%		400	(2)	(1)	(1)
	99%		700	(3)	1	(4)
	104%		1,300	2		3

Figure 68

A **Position and P&L Report (PPL)** shows the cumulative share and/or dollar inventory along with profit & loss calculations, for all of the marketmaker's automatic and manual trades. Multiple PPLs may be created and viewed simultaneously. The information in these reports may be grouped ("**Report Breakout**") as the user desires, and the trades which comprise these reports may be a chosen subset ("**Data Source**") of all trades.

For example, the user may have P&L grouped and summarized by security symbol, or according to the trading decision rule or rule/tier combination which invoked each trade. The data source can be a subset of stock symbols (designated by a Symbol List name), or it can be all trades invoked by a Marketmaker Toolkit rule or rule/tier combination. Therefore, marketmakers can monitor on a real-time basis the profit and loss contribution of each decision rule and price/size tier that they create. This gives them incredible insight into the productivity of their rules and allows them to improve profitability over time.

Share and dollar inventories of securities, and realized, unrealized, and total P&L's can be generated either on a real-time basis or for historical periods. Report **Columns** can be chosen, modified, and moved as they are for Trade Tickers.

Any row in a Position and P&L Report can be right-clicked to generate a new report of individual trades that comprise the row.

Figure 70

Marketmaker Position and P&L
Name: ROBERT
Breakout: By Symbol
Source: Symbol List "Big Tech"
Period: Today / Real-time
Dollars in 000's

Symbol	Share Inventory	Total P&L	Realized P&L	Unrealized P&L
ALL		18	10	8
CSCO	22,200	3	2	1
INTC	(1,000)	4	5	(1)
JDSU	33,000	(2)		
MSFT	800	6		
SEBL	(1,200)	4	(2)	6
SUNW	(2,100)	3	1	2

See Individual Trades for this Row

Figure 69

BarterSecurities Request for Manual Offer

The BarterSecurities Marketmaker Toolkit lets you define rules that automatically generate one or more offers on the Limit Offer Book for an incoming barter order when predefined conditions are met. However, you may specify in the rule that when the stated conditions are met, you are to be alerted so that you can make a manual response to the order rather than having offers generated automatically.

When the BarterSecurities Request for Manual Offer screen appears, you can review the incoming order and then (1) deliver an offer according to the price and size defaults that you set, (2) deliver an offer after modifying the price and/or size defaults, (3) close the screen manually without delivering an offer, or (4) let the screen close automatically, after a stipulated number of seconds, without delivering an offer. *Note that as long as the countdown clock is running, the sender of the incoming order will be aware that a manual offer is pending and may be delivered.*

The BarterSecurities Request for Manual Offer screen is partitioned into four sections from top to bottom: (1) Incoming Order, (2) Offer Size, (3) Offer Price, and (4) Action.

Incoming Order

On the left is the incoming order expressed as it was entered; that is, *the marketmaker may take the other side of the trade*. In the following discussion, the term "buy-side" ("sell-side") refers to the security that the sender is buying (selling) and that the marketmaker may sell (buy). The dollar values of both the buy-side and sell-side securities are shown, along with the **Delta** of the trade. The smaller the delta, the closer together are the buy-side and sell-side dollar values. A delta of zero implies that the dollar values match. A delta of one implies that the barter order is almost one-sided.

The marketmaker may click the **View Level II** button to view real-time Level II quotes for the buy- and sell-side securities. The marketmaker may click the **Modify Defaults** button to change how the default Offer Size and Offer Prices are determined when the Request for Manual Offer screen pops up.

Offer Size

An offer size for the incoming barter order is calculated based on either (1) the price/size tiers stipulated in the Marketmaker Toolkit, or (2) the defaults that you specify in the Edit Manual Offer Defaults screen. The quantities in the offer size are always in the same ratio as the quantities in the incoming order. If you wish, you may change the initial size by (1) clicking the size increment/decrement buttons, (2) by typing in a new size in the buy-side or sell-side fields (the opposite size is changed to retain the incoming share ratio), or (3) clicking the **Full Size** button, which causes the offer size to become the same as the incoming order size.

Offer Price

An offer price for the incoming barter order is calculated based on either (1) the price/size tiers stipulated in the Marketmaker Toolkit, or (2) the defaults that you specify in the Edit Manual Offer Defaults screen. If you wish, you may change the initial offer price by (1) clicking the price increment/decrement buttons, or (2) by typing in a new value in the available field.

Action

At any time, you may (1) click the green **Offer** button to send your offer as stated, (2) click the red **Cancel** button to close the screen without sending an offer, or (3) click the **Stop** button to stop the rundown clock. If you make none of these actions, the screen will close automatically when the clock has run down to zero.

Figure 73

New Symbol List: PE10_Growth20

Symbol List	List Names
<div>Symbol: <input type="text"/></div> <div> <input type="button" value="Add"/> <input type="button" value="Remove"/> </div> <div> <input type="button" value="Clear"/> <input type="button" value="Import..."/> </div>	<div> <input type="button" value="List Transfer"/> <input type="button" value="Union"/> <input type="button" value="Intersection"/> </div> <div> NDX SPX MidCap400 DowIndu Second000 Big Tech Fred List Bob List </div>

New Symbol List Name

Enter Name:

View Symbol Lists

List Name	Symbol List
<div> <input type="button" value="New"/> <input type="button" value="Rename"/> <input type="button" value="Delete"/> </div> <div> NDX SPX MidCap400 DowIndu Second000 Big Tech Fred List Bob List </div>	<div> <div>Symbol: <input type="text"/></div> <div> <input type="button" value="Add"/> <input type="button" value="Remove"/> </div> </div> <div> CSCO INTC JDSU MSFT SEBL SUNW </div>

Figure 74

View Symbol Lists

New

Click **New** to create a new symbol list. A pop up screen requests the name of the new symbol list.

Rename

Select a symbol list name and click **Rename** to rename a symbol list while keeping its symbols intact. To base a new symbol list on the symbols in an existing list, use the **New...** function.

Delete

Select a symbol list name and click **Delete** to remove the list name, along with its symbols.

Add

Fill in the **Symbol** field and click **Add** to add one symbol to the selected symbol list.

Remove

Select a symbol from the **Symbol List** column and click **Remove** to remove the symbol from the selected symbol list.

Figure 75

New Symbol List

Add

Fill in the **Symbol** field and click **Add** to add one symbol to the new symbol list.

Remove

Select a symbol from the **Symbol List** column and click **Remove** to remove the symbol from the new symbol list.

Clear

Click to remove all symbols from symbol list.

Import

Click to copy a symbol list from another application.

Union

To add the symbols from an existing symbol list to the symbols in the **Symbol List** column, select one or more names from the **List Names** column and click **Union**. Duplicate symbol names will be removed from the new list.

Intersection

To create a new list from symbols that are common to the symbols in the **Symbol List** column and the symbols in one or more existing lists, select the names from the **List Names** column and click **Intersection**.

Figure 76